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MUNICIPAL NOTICE

No. 115

10 July 2009



uMGUNGUNDLOVU
UMASIPALA WESIFUNDA
DISTRICT MUNICIPALITY
DISTRİK MUNISIPALITEIT

***TARIFF BY-LAWS
POLICY***

TARIFF BY-LAWS

Notice is hereby given in terms of Section 13 of the Local Government: Municipal Systems Act, 32 of 2000, as amended, read with Sections 156 and 162 of the Constitution of the Republic of South Africa Act, 108 of 1996 as the uMgungundlovu District Municipality resolves to adopt the following Tariff By-laws with effect from date of publication.

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TARIFF BY-LAWS

PREAMBLE

The uMgungundlovu District Municipality has adopted a Tariff Policy in terms of Section 74(1) of the Local Government; Municipal Systems Act, 2000 (Act 32 of 2000), and Section 75 (2) of the said Act requires the uMgungundlovu District Municipality to adopt by-laws giving effect to its Tariff Policy.

Be it hereby enacted:-

1. DEFINITIONS

(1) In these by-laws, unless the context otherwise indicates:-

“Bulk electricity user” means a bulk user whose electricity demand exceeds or is likely to exceed 55 kVa per month;

“Bulk user” means a user of electricity, water, sewerage or refuse removal services for commercial or industrial purposes;

“Cost to be recovered” means the cost reasonably associated with the rendering of a municipal service, including the cost of purchasing or acquisition, the cost of processing, treatment or adoption of the product or service to be delivered or supplied, capital cost, operating cost, maintenance cost, replacement cost, administrative cost and support systems costs and interest.

“Council” means the Council of the uMgungundlovu District Municipality, established in terms of Section 12 of the Local Government Municipal Structures Act, Act 117 of 1998.

“Domestic user” means a user of electricity, water, sewerage or refuse removal for residential purposes only.

“Municipal Finance Management Act” means the Local Government Municipal Finance Management Act, 2003 (Act 56 of 2003).

“Municipal Property Rates Act” means the Local Government Property Rates Act, (Act 6 of 2004)

“Municipal sendee” means a municipal service defined in Section 1 of the Municipal Systems Act

“Municipal Systems Act” means the Local Government: Municipal Systems Act, 2003 (Act 32 of 2000) as amended

“Off-peak Supply” means an electricity supply on written request to a bulk user

“Poor household” means a domestic user who qualifies, together with his or her dependants, as an indigent person in terms of the Council's indigent policy

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“**Subsidized Tariff**” means a tariff that cover only operating and maintenance cost in relation to a municipal service

“**Tariff Policy**” means the Tariff Policy of the Council adopted in terms of Section 74(1) of the Municipal Systems Act;

“**Temporary User**” means a user of electricity, water, sewerage or refuse removal services for a temporary period for specific project or occasion

“**User**” means a person liable to the Council for the cost to be recovered for a municipal services payable by such user

(2) In these by-laws a reference to the singular will include the plural and vice versa.

(3) Any word or phrase in these by-laws, unless defined in subsection (1) above, shall bear the meaning of such word or phrase in the Municipal Systems Act.

2. COST OF SERVICES TO BE RECOVERED

1. The Council must annually adopt a budget which will provide for the cost to be recovered for a municipal service rendered to a user;
2. The cost to be recovered meant in subsection (1) may include a surcharge to subsidize the provision of municipal services to poor households meant in Section 6 and to give effect to development of a municipal service in terms of the Council's integrated development plan;
3. The Council may having regard to the reasonable cost to be recovered associated with a municipal service, allow for subsidization of one municipal service by a higher tariff levied on another for the purpose of economical, efficient and effective use of resources in a sustainable manner;
4. The Council may levy a surcharge on a municipal service to encourage environmentally safe and sustainable use of such municipal service.

3. SURPLUSES OBTAINED

1. The Council may budget for surpluses on the following municipal services:-
 - (a) On water supply a surplus of not more than 15 %.
 - (b) On sanitation and or sewerage a surplus of not more than 15 %.
2. A surplus obtained meant in subsection (1) will be used to supplement the income from assessment rates under the rates service.

4. FUNDED MUNICIPAL SERVICES

1. The Council must, when determining the tariff for a municipal service, take into consideration any intergovernmental grant or subsidy allocated or to be allocated in relation to such municipal service;
2. The Council may, when determining the tariff for a municipal services open for use by the general public, subsidize such tariff from other income derived by the Council.

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5. ADJUSTMENT OF TARIFFS

The Council may at any time during its financial year, subject to compliance with any legislation applicable thereto, adjust any tariff to give effect to its tariff policy and these by-laws.

6. POOR HOUSEHOLDS

1. The Council will annually together with its annual budget, adopt an indigent policy to determine criteria for the determination of poor households.
2. The criteria referred to in subsection (1) will take into account;
 - (a) the total income of consumer of municipal services residing on the property to which municipal services is rendered;
 - (b) the total expenditure of consumers of municipal services residing on the property; and
 - (c) a minimum income less expenditure to qualify as a poor household.
3. The Council may include in its indigent policy a sliding scale according to which the quantity of basic municipal services provided free of charge or at a subsidized tariff to a poor household is limited in relation to the income less expenditures of a poor household.
4. A user will qualify for the benefits of a poor household with Council in terms of the indigent policy only if such user has applied to be registered as a poor household and comfortable with a maximum electricity current of 20 amperes.
5. Any person who knowingly supplies false information to the Council required in terms of subsection (4) will be guilty of an offence.

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7. SANITATION SERVICES

1. The Council may annually resolve in terms of its budget process, to grant a subsidized tariff for sanitation services to poor households in terms of its indigent policy.
2. The Council may determine sanitation tariffs in regard to the following:-
 - (a) a basic monthly sanitation charge to be levied on a property where such property is connected to the Council's sanitation reticulation network;
 - (b) a sanitation reticulation availability charge to be levied on a property not connected to the Council's sanitation reticulation network, but which property can be so connected to the Council's sanitation reticulation network at a point on the property or less than 50 meters from any boundary of such property;
 - (c) the covering or sealing or re-sealing openings in sanitation network connected to the Council's sanitation reticulation network;
 - (d) the removal of any blockages from a sanitation reticulation network connected to the Council's sanitation reticulation network;
 - (e) the alteration of any gully in a sanitation network connected to the Council's sanitation reticulation network;
 - (f) the connection or re-connection of any reticulation network to the Council's sanitation reticulation network.
3. In these by-laws the word sanitation shall have the same meaning as "sewerage" and shall include where applicable a sanitation system.
4. The Council may, when determining its sanitation services tariffs, differential between:
 - (a) Domestic users;
 - (b) Domestic users differentiated according to the number of residential dwellings per erf and also by the size of the stand;
 - (c) Bulk users;
 - (d) Hospitals;
 - (e) Churches;
 - (f) Boarding houses;
 - (g) Hotels;
 - (h) Sport Clubs;
 - (i) Private institutions;
 - (j) Welfare institutions;
 - (k) Government institutions;
 - (l) Welfare institutions authorised as a fund raising organisation in terms of Section 4 of the Fund Raising Act, 1978;
 - (m) High density housing;
 - (n) Temporary Users;
 - (o) The standard of the reticulation supply service;
 - (p) The geographical area or terrain in which a sanitation reticulation service is made

TARIFF BY-LAWS

available; and
(q) Schools.

8. PROPERTY RATES

1. The Council will, subject to the stipulations of the Municipal Finance Management Act and Section 15 (1) read with Section 15(2) of the Municipal Property Rates Act, annually in terms of its budget process, grant:
 - (a) a 36 percent rebate on property rates levied on developed residential property, and
 - (b) an additional 20 percent rebate to owners of developed residential property dependant on pensions or social grants for their livelihood, which rebate will be calculated on the balance after deduction of the rebate mentioned in subsection (a) above, or
 - (c) a rebate of 60 percent on property rates levied on property occupied by a poor household or property situated within a low income government housing scheme development as identified by the Council.

9. OTHER SERVICES

1. Nothing in these by-laws shall prohibit the Council from determining tariffs on municipal services or part thereof or incidental thereto, not mentioned in by-laws.
2. The Council must, when determining tariffs for municipal services meant in subsection (1), have regard to the principles in Section 74(2) of the Municipal Systems Act.

10. USERS

The Council may without derogating from any other categories of municipal services and users in these by-laws, when annually determining its tariff structure, differentiate between the following categories of users according to the actual use of municipal services:

- (1) Residential;
- (2) Business;
- (3) Industrial;
- (4) Agricultural;
- (5) Institutional;
- (6) Rural;
- (7) Municipal; and
- (8) Special uses in terms of the Council's Town Planning Scheme.
- (9) Governmental.

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11. GEOGRAPHICAL AREAS

The Council may notwithstanding any other categories of municipal services and users in these by-laws, when annually determining its tariff structure and any surcharges differentiate between different geographical areas having regard to the cost to be recovered for a municipal service rendered or to be rendered to a particular geographical area.

12. BUDGET

1. The Council must, in its annual budget set out the value in money allocated to the rendering of free a water service, and
2. The value in money of free subsidized municipal services meant in subsection (1), per household and the total predicted cost to Council thereof.

13. ACCUMULATION

A free or subsidized municipal service is rendered on a month-to-month basis and no credit will be allowed to accumulate for any part of such free of subsidized municipal service not used in any particular month.

14. MUNICIPAL FINANCE MANAGEMENT ACT

These by-laws will be read together with the Municipal Finance Management Act and any duty, obligation or regulation under the said Act will be complied with when giving effect to these by-laws.

15. PENALTY

Any person who contravenes any provision in these by-laws shall be guilty of an offence and upon conviction liable to a fine or imprisonment of not more than three months or both such fine and imprisonment.

16. TARIFF BY-LAWS

These by-laws will be known as the Tariff By-Laws.
