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MORETELE LOCAL MUNICIPALITY

Notice

In terms of section 13 of the Local Government: Municipal System Act no.32 of 2000 as amended; the Moretele Local Municipal ("the municipality") hereby publishes the Credit Control and Debt Collection By-laws set forth hereinafter, which have been made by the Municipal Council as set out below:

CREDIT CONTROL AND DEBT COLLECTION BY LAW

By-law Adoption Date: **01 November 2013**

Council Resolution Number: **MLM 902-10-2013**

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PRE-AMBLE

The Municipal Finance Management Act (MFMA), Act 56 of 2003, aims to modernise budget and financial management practices in municipalities in order to maximise the capacity of a municipality to deliver services to all residents, customers and users. It also gives effect to the principle of transparency as required by sections 215 and 216 of the Constitution. The Council of the municipality, in adopting this by-law on credit control and debt Collection, recognizes its constitutional obligations as set out in Chapter 7 of the Constitution and Chapter 9 of the Municipal Systems Act, Act No. 32 of 2000, to develop the local economy and to provide acceptable services to its residents. It Simultaneously acknowledges that it cannot fulfil these constitutional obligations Unless it exacts payment for the services which it provides and for the taxes which it legitimately levies in full from those residents who can afford to pay, and in accordance with its indigence relief measures for those who have registered as indigents in terms of the Council's approved indigence management policy

- This is a mandatory by-law in terms of Section 96 of the Municipal Systems Act and it is also a budget-related by-law in terms of the definition of such policies in Section 1 of the MFMA. This by-law must therefore be reviewed, and revised if necessary, as part of each annual budget process.
- The accounting officer (municipal manager) is charged with the responsibility for managing the revenues of the municipality (Section 64 of the MFMA), and the municipal manager is therefore responsible for the implementation and administration of this by-law. Section 100 of the Municipal Systems Act in fact specifically assigns the legal responsibility for implementing this by-law to the municipal manager (see Part 17 of the by-law).
- In terms of Section 98 of the Municipal Systems Act the council must adopt by-laws to give effect to this by-law.

PART 1: DEFINITIONS

Definitions – in this by-law, any word or expression to which a meaning has been assigned in the Local Government: Municipal Systems Act, has that meaning, unless the context indicates otherwise:-

“Arrangement” means a written agreement entered into between the Council and the Debtor where specific repayment parameters are agreed to.

“Account” means an account rendered specifying charges for services provided by the municipality, or any authorized and contracted Service Provider, and/or assessment rates levies;

"Billing date" means the date upon which the monthly statement is generated and debited to the customer's account

"Business premises" means premises utilized for purposes other than residential and excludes the following"

- (a) hospitals, clinics and institutions for mentally ill persons which are not operated for gain.
- (b) museums, art galleries, libraries and botanical gardens which are registered in the names of private persons and are open to the public, whether admission fees are charged or not;
- (c) sports grounds used for the purpose of amateur sports and any social activities which are connected with such sports;
- (d) any property registered in the name of an institution or organization which, in the opinion of the Council, performs charitable work;
- (e) any property utilized for bona fide church or religious purposes.

"Chief Financial Officer" means the official accountable and responsible to the Municipal Manager for the implementation, enforcement and administration of the Debt Collection Policies contained in these by-laws.

"Credit Control" means all the functions relating to the collection of monies owed by Ratepayers and the users of Municipal services.

"Council" means the Municipal Council of Moretele Municipality or any duly authorized committee, political office bearer or official of the said council.

"Customer" means any occupier of any premises to which the Council has agreed to supply or is actually supplying services, or if there is no occupier, then the owner of the premises and includes any Debtor of the Municipality

"Day/days" means calendar days, inclusive of Saturdays, Sundays and Public Holidays.

"Defaulter" means any person owing the Council arrear monies in respect of taxes and/or service charges

"Due date" in relation to:

- (a) rates due in respect of any immovable property, means the fifteenth day of each and every month of the Financial year for which rate is made, or any other date determined by Council by Notice in the Provincial Gazette, and
- (b) service charges due in respect of any immovable property,
- (c) means the date for payment indicated on the account
- (d) Should such day fall on a Saturday, Sunday or Public Holiday the due date shall be the next working day.

“Immovable property” includes –

- (a) an undivided share in immovable property, and
- (b) any right in immovable property.

“Indigent Debtor” means”:

- (a) The head of an Indigent household:
 - (i) who applied for and has been declared Indigent in terms of this By-law for the provision of services from the Municipality; and
 - (ii) who makes application for Indigent support in terms of these by-laws on behalf of all members of his or her household;
- (b) Orphaned minor children duly represented by their legal and/or defacto guardians.

“Indigent Support Programme” means a structured programme for the provision of Indigent support subsidies to qualifying Indigent Debtors in terms of the Council’s Indigent support Policy.

“Indigent Support Policy” means the Indigent Support Policy adopted by the Council of the Municipality.

“Interest” a charge levied on all arrear monies and calculated at a rate determined by council from time to time.

“Month” means a calendar month

“Monthly average consumption” means the monthly average consumption in respect of that property calculated on the basis of consumption over the preceding twelvemonths.

“Municipal pay point” means any Municipal office in the area of jurisdiction of the municipality designated by Council for such purposes, or any such other places as the Chief Financial Officer may from time to time designate.

“Municipal services” means services provided either by the Municipality, or by an external agent on behalf of the Municipality in terms of a Service Delivery Agreement, and shall include charges in respect of water and electricity consumption.

“Municipality” means Moretele Municipality

“Municipal Manager” means the Municipal Manager of the Moretele Municipality or his or her nominee acting in terms of power delegated to him or her by the said Municipal Manager with the concurrence of the Council.

“Occupier” means the person who controls and resides on or controls and otherwise uses immovable property; provided that-

- (a) The husband or wife of the owner of immovable property which is at any time used by such owner and husband or wife as a dwelling, shall be deemed to be the occupier thereof;
- (b) Where a husband and wife both reside on immovable property and one of them is an occupier thereof; the other shall also be deemed to be an occupier thereof.

“Owner” in relation to immovable property means-

- (a) The person in whom is vested the legal title thereto provided that;-
 - (i) the lessee of immovable property which is leased for a period of not less than thirty years, whether the lease is registered or not shall be deemed to be the owner thereof;
 - (ii) the occupier of immovable property occupied under a Service servitude or right analogous thereto, shall be deemed to be the owner thereof;
- (b) If the owner is dead or insolvent or has assigned his or her estate for the benefit of his creditors, has been placed under curatorship by order of the court or is a company being wound up or under judicial management, the person in whom the administration of such property is vested as executor, administrator, trustee, assignee, curator, liquidator or judicial manager, as the case may be, shall be deemed to be the owner thereof;
- (c) (i) If the owner is absent from the Republic or if his address is unknown to the Municipality, any person who as agent or otherwise receives or is entitled to receive the rent in respect of such property, or
(ii) If the Municipality is unable to determine who such person is, the person who is entitled to the beneficial use of such property.

“Premises” includes any piece of land, the external surface boundaries of which are delineated on:

- (a) A general plan or diagram registered in terms of the Land Survey Act, (9 of 1927) or in terms of the Deed Registry Act, 47 of 1937; or
- (b) A sectional plan registered in terms of the Sectional Titles Act, 95 of 1986, which is situated within the area of jurisdiction of the Council.

“Prescribed” means prescribed by these by-laws and where applicable by Council or the Municipal Manager

“Person” means a natural or juristic person, including any Department of State, statutory bodies or foreign embassies.

“Rates” means any tax, duty or levy imposed on property by the Municipality

“Registered owner” means that person, natural or juristic, in whose name the property is registered in terms of the Deeds Registry Act, no 47 of 1937.

“Responsible person” means any person other than the registered owner of an immovable property who is legally responsible for the payment of Municipal service charges

“Service charges” means the fees levied by the Municipality in terms of its Tariff Policy for any municipal services rendered in respect of an immovable property and include any penalties, interest or surcharges levied or imposed in terms of these By-laws.

“Service Delivery Agreement” means an agreement between the Municipality and an institution or persons mentioned in section 76(b) of the Local Government Municipal Systems Act 32 of 2000

“Sundry Debtor Accounts” means accounts raised for miscellaneous charges for services provided by the Municipality or charges that was raised against a person as a result of an action by a person and which was raised in terms of Council's Policies, By-laws and decisions.

“Tariff” means any rate, tax, duty and levy or fee which may be imposed by the Municipality for services provided either by itself or in terms of a Service Delivery Agreement.

“Tariff Policy” means a Tariff Policy adopted by the Council in terms of Section 74 of the Local Government: Municipal Systems Act 32 of 2000.

“User” means the owner or occupier of a property in respect of which Municipal Services are being rendered.

PART 1.1 OBJECTIVE: CONSTITUTIONAL OBLIGATIONS

The council of the municipality, in adopting this by-law on credit control and debt collection, recognises its constitutional obligations to develop the local economy and to provide acceptable services to its residents. This is required in terms of MFMA section 64 (2)(a) and MSA 75A(b). It simultaneously acknowledges that it cannot fulfil these constitutional obligations unless it exacts payment for the services which it provides and for the taxes which it legitimately levies – in full from those residents who can afford to pay, and in accordance with its indigence relief measures for those who have registered as indigents in terms of the council's approved indigent management by-law.

PART 2 EXPECTED FUTURE PAYMENT LEVELS

In terms of the budgets approved by the council, and in accordance with commonly accepted best practice, this municipality will have to strive to its utmost to ensure that payment levels for the present and future financial years, in respect of all amounts legitimately owing to the municipality – that is, inclusive of the balance of the monthly accounts payable by registered indigents – are maintained at an annual average of at least 95%. Even with payment levels of 95% it means that the council will annually have to provide on its expenses budget a contribution to bad debts of 5% of the aggregate revenues legitimately owing to this municipality – a contribution which is made at the direct cost of improved service delivery and developmental projects.

- To promulgate credit control and debt collection by-laws which deal stringently with defaulters, but at the same time – through the formal political structures of the municipality, and in the administration's general dealings with the public
- to make the community aware of its legal obligations towards the municipality
- To emphasize the negative consequences for all of non-payment. The municipality's ward committees are particularly charged with this responsibility.

PART 3 NOTICE OF DEFAULT AND INTENDED TERMINATION OR RESTRICTION OF SERVICES

Within 7 (seven) calendar days after each monthly due date for payment of municipal accounts for property rates and/or service charges, the municipal manager shall dispatch to every defaulting accountholder, that is, every accountholder who as at the date of the notice has not paid the monthly account in full or has not made an acceptable arrangement with the municipal manager for partial or late payment, a notice stating that unless full payment is received or an acceptable arrangement made with the municipal manager for partial or late payment, the municipal water supply to the property to which the account in arrears relates shall be terminated or restricted 14 (fourteen) calendar days after the date of the notice concerned.

If no water is provided by the municipality or its agent to the accountholder concerned, the municipal manager shall, after the expiry of twenty eight (28) calendar days after the date of the notice concerned, and provided the arrear account has not been settled or satisfactory arrangements made in terms of part 9 below, immediately proceed with the actions contemplated in part 8 below.

PART 4 RECONNECTIONS OR RE-INSTATEMENT OF RESTRICTED SERVICES

Services to defaulting accountholders terminated or restricted in terms of part 3 above shall be reconnected or reinstated by the municipal manager only when all the following conditions have been met:

- the arrear account has been paid in full, including the interest raised on such account; or an acceptable arrangement has been made with the municipal manager for the payment of the arrear account, including the interest raised on such account;
- the charge(s) for the notice sent in terms of part 3 and for the reconnection or reinstatement of the terminated or restricted service(s), as determined by the council from time to time, have been paid in full;
- a service contract has been entered into with the municipality, as contemplated in part 10 below; and
- a cash deposit has been lodged with the municipal manager in compliance with part 11, such deposit to be newly determined on the basis of 12 kilolitres multiplied by applicable rate for the period.
- In the case of consumers using prepaid meters, but who have fallen into arrears with the remainder of their obligations to the municipality, no prepaid purchases shall be accepted until the outstanding arrears have been settled or an acceptable arrangement made for the payment of the arrear account, as contemplated above: such arrangement may entail the limitation of the amount of prepaid services which may be purchased until the arrears or a stated percentage of the arrears has been settled.

PART 5 PERIODS FOR RECONNECTIONS OR REINSTATEMENTS

The municipal manager shall reconnect or reinstate terminated or restricted services within 24 hours after the date on which the conditions set out in part 4 have been met, unless the municipal manager is unable to do so because of circumstances beyond the control of the municipality. In the latter event the municipal manager shall promptly inform the mayor and the

client of such circumstances and of any actions required to overcome the circumstances concerned.

PART 6 ILLEGAL RECONNECTIONS

The municipal manager shall, as soon as it comes to the notice of the municipal manager that any terminated or restricted service has been irregularly reconnected or reinstated, report such action to the South African Police Service, disconnect or restrict such service(s), and not reconnect or reinstate such service(s) until the arrear account, including the interest raised on such account, the charges for the notice sent in terms of part 3 and the charges for both the original and subsequent reconnection or reinstatement of the service(s) and the revised deposit have been paid in full, together with such penalty as may be determined by the council from time to time. In addition, all metered consumption since the date of the illegal reconnection, or the estimated consumption if a reliable meter reading is not possible, shall also be paid in full before any reconnection or reinstatement is considered.

PART 7 RESTRICTIONS OF SERVICES

If the municipal manager is of the opinion that the termination of services, in the case of a particular property in respect of which the account is in arrear, is not in the best interests of the community – specifically because of the potential endangerment of the life of any person, whether resident in or outside the property concerned – the municipal manager may appropriately restrict rather than terminate the services in question.

PART 8 SERVICES NOT RECONNECTED OR RE-INSTATED AFTER TWO WEEKS

If services have been terminated or restricted in the case of a property in respect of which the account is in arrear, and the accountholder has not paid such arrears, including the interest raised on such account, or made an acceptable arrangement with the municipal manager for the payment of the arrear account, including the interest raised on such account, within a period of twenty eight (28) calendar days after the date of termination or restriction of the service(s) concerned, the municipal manager shall forthwith hand such account over for collection and such further action as is deemed necessary to the municipality's attorneys or any debt collecting agency appointed by the council. Such further action shall include if necessary the sale in execution of such property to recover arrear property rates and service charges (if the accountholder is also the owner of the property). All legal expenses incurred by the municipality shall be for the account of the defaulting accountholder.

PART 9 ARRANGEMENTS FOR PAYMENT OF ARREAR ACCOUNTS

9.1 ARRANGEMENTS FOR PAYMENT OF NORMAL CONSUMER ACCOUNTS

Allowing defaulting accountholders to make arrangements for the payment of arrear accounts shall be at the discretion of the municipal manager or delegated municipal official.

Each defaulting accountholder shall be allowed a maximum period of 3 (three) months within which to pay an arrear account, together with the interest raised on such account, and it shall be a condition for the conclusion of any arrangement that the accountholder is bound to pay every current municipal account in full and on time during the period over which such arrangement extends.

If an accountholder breaches any material term of an arrangement, the balance of the arrear account, together with the balance of interest raised on such account, shall immediately become due and payable to the municipality, and if the accountholder defaults on such payment, the municipal manager shall terminate or restrict water services to the property in question (if such services are provided by the municipality or its agent) and shall forthwith hand such account over for collection as envisaged in part 8.

An accountholder who has breached an arrangement as set out above shall not be allowed to make any further arrangements for the payment of arrear accounts, but shall be proceeded against, after the dispatch of the initial notice of default as envisaged in part 3 and failure by the accountholder to pay the arrear account, together with interest raised on such arrears as required in terms of such notice, as though such accountholder had breached a material term of an arrangement.

Where a "flat rate" or "one rate for all" was applied in charging municipality services and the consumer did not comply with the payment terms applicable in terms of this by-law, the one rate for all by-law shall be discontinued and all outstanding amounts shall be due and payable with immediate effect. A normal tariff by-law will be applicable to the consumers who have defaulted until all outstanding amounts have been settled.

9.2 ARRANGEMENT WITH MUNICIPALITY OFFICIALS FOR THE PAYMENT OF THEIR ACCOUNTS

All accounts for the municipality officials and employees may not be in arrears for longer than 3 months (Municipal Systems Act Schedule 2(10) and Schedule 1(12A)). Where a municipality staff member is in arrears for a period longer than three months, an arrangement will be made to deduct the outstanding amount from the salary of the staff member in total or in regular monthly amounts that may be agreed on. Special incentives to encourage the municipality staff

to enter into such arrangements for payment of outstanding amounts will be offered on discretion of the CFO.

All councillors or ward committees shall not leave their accounts to be in arrears for longer than 3 (three) months. Arrangement should be made with the municipality to pay accounts that are in arrears.

PART 10 SERVICE CONTRACT

A service contract shall henceforth be entered into with the municipality for each property to which the municipality is expected to provide all or any of the following services:

- water
- refuse collection
- sewerage.

Such contract shall set out the conditions on which services are provided and shall require the signatory to note the contents of the municipality's credit control and debt collection by-law, a copy of which shall be provided to such signatory, as well as the provision of the Municipal Systems Act in regard to the municipality's right of access to property.

Where the signatory is not the owner of the property to which the services are to be provided on request, a properly executed letter from such owner indicating that the signatory is the lawful occupant of the property shall be attached to the service contract.

Current consumers and users of the municipality's services who have not entered into a service contract as envisaged above, must do so within 2 years from the date on which the by-laws to implement the present by-law are published, and failure to do so shall be considered as a default equivalent to non-payment in terms of part 3 above.

PART 11 PAYMENT OF DEPOSITS

Whenever a service contract is entered into in terms of part 10, the signatory shall lodge a cash deposit with the municipality, such deposit to be determined as follows:

- a deposit amount shall be equal to 12 kilolitres multiplied by the water tariff rate applicable in that particular period (starting from 1st of July each year and ending 30th of June the following year).
- Rate of deposit will be increased yearly, in line with the approved tariffs.

PART 12 ALLOCATION OF PART-PAYMENTS AND APPROPRIATION OF DEPOSITS

If an accountholder pays only part of any municipal account due, the municipal manager shall allocate such payment with the following steps:

- firstly, to any unpaid charges levied by the municipality in respect of unacceptable cheques, notices, legal expenses and reconnections or reinstatements of services in respect of the account or property concerned;
- secondly, to any unpaid interest raised on the account;
- thirdly, to any unpaid sewerage charges;
- fourthly, to any unpaid refuse collection charges;
- fifthly, to any unpaid property rates; and
- sixthly, to any unpaid water charges.

This sequence of allocation shall be followed notwithstanding any instructions to the contrary given by the accountholder.

In the event of an accountholder's defaulting on the payment of an arrear account, as contemplated in parts 6, 8 and 9, the municipal manager shall forthwith appropriate as much of such deposit as is necessary to defray any costs incurred by the municipality and the arrear amount owing to the municipality in the same sequence that is applicable to the allocation of part payments, as contemplated above.

PART 13 QUERIES BY ACCOUNTHOLDERS

In the event of an accountholder reasonably querying any item or items on the monthly municipal account, no action shall be taken against the accountholder as contemplated in part 3 provided the accountholder has paid by due date an amount equal to the monthly average monetary value of the three most recent un-queried accounts in respect of the service under query, as well as all un-queried balances on such account, and provided further such query is made in writing by the accountholder or is recorded in writing by the municipal manager on behalf of the accountholder on or before the due date for the payment of the relevant account. Any query raised by an accountholder in the circumstances contemplated in part 14 below shall not constitute a reasonable query for the purposes of the present paragraph.

PART 14 INABILITY TO READ METERS

If the municipality is unable to read any meter on any property because the meter has been rendered inaccessible through any act or omission of the accountholder or owner of the property

concerned, the municipal manager shall estimate the consumption of the service concerned by determining the monthly average of the metered consumption recorded on the three most recent accounts in respect of which meter readings were obtained, and thereafter bill the accountholder for the monetary value of such estimated consumption plus a provisional surcharge of 10% of such value for the first month in which the metered reading could not be obtained, escalating to 20% in the second month, 30% in the third month, and so on by 10 percentage points for each subsequent month, until the meter is again rendered accessible. The accountholder shall be liable for the initial payment of such surcharge(s) as though the surcharge were part of the service charge concerned, but the municipal manager shall reverse such surcharge(s) against the first account for which a meter reading is again obtained.

PART 15 DISHONoured AND OTHER UNACCEPTABLE CHEQUES

If an accountholder tenders a cheque which is subsequently dishonoured by or is found to be unacceptable to the accountholder's bankers, the municipal manager shall – in addition to taking the steps contemplated in this by-law against defaulting accountholders – charge such accountholder the penalty charge for unacceptable cheques, as determined by the council from time to time, and such charge shall rank equally with the costs and expenses incurred by the municipality for purposes of determining the sequence of allocations and appropriations contemplated in part 12.

PART 16 DELEGATION OF RESPONSIBILITIES BY MUNICIPAL MANAGER

The municipal manager, including any person acting in such capacity, shall be responsible to the council for the implementation of this by-law and its attendant by-laws but – without in so doing being divested of such responsibility – may delegate in writing all or any of the duties and responsibilities referred to in these by-laws to any other official or officials of the municipality, and may from time to time in writing amend or withdraw such delegation(s).

PART 17 ROLE OF MUNICIPAL MANAGER

Section 100 of the Municipal Systems Act 2000 (see part 24 below) clearly assigns the legal responsibility for implementing the credit control and debt collection policies and by-laws to the municipal manager.

The municipal manager will therefore have to ensure that a proper internal reporting structure is established and consistently implemented so that the day-to-day actions of and results from the credit control and debt collection programme are properly monitored and supervised.

The municipal manager shall report monthly to the mayor and the executive committee, and quarterly to the council on the actions taken in terms of the by-laws, and on the payment levels for the periods concerned. Such reports shall, as soon as practicably possible, provide the required information both in aggregate and by municipal ward.

In addition, such monthly and quarterly reports shall indicate any administrative shortcomings, the measures taken or recommended to address such shortcomings, and any actions by councillors which could reasonably be interpreted as constituting interference in the application of the by-laws.

Notwithstanding all the foregoing references to the accountability of the municipal manager in regard to these by-laws, it is incumbent on all the officials of the municipality, certainly all those who are at management level, as well as more junior officials who are directly or indirectly involved with the community and the municipality's general customer relations, to promote and support both this credit control and debt collection by-law and the application of the attendant by-laws. The responsibilities of all officials include reporting to the municipal manager any evident breaches of these by-laws, whether by members of the community, other officials or councillors of the municipality.

PART 18 ROLE OF COUNCILLORS

Section 99 of the Systems Act 2000 places the important legal responsibility on the mayor and executive committee, of monitoring and supervising the application of the present by-law and the attendant by-laws, and of reporting to the council on the extent and success of credit control actions.

The municipality's ward committees must also be actively involved in implementing the credit control and debt collection programme, and must therefore receive monthly reports on the status of the municipal manager's credit control actions. The ward committees must also actively promote the present by-law, and ensure at the same time that the municipality's customer relations are of a standard acceptable to the community.

In order to maintain the credibility of the municipality in the implementation of the present by-law and the attendant by-laws, it is essential that councillors lead by example. Councillors, by adopting this by-law, therefore pledge, not only their unqualified support for the by-law, but their commitment to ensuring that their own accounts will at no stage fall into arrears (MSA schedule 1(12A)).

PART 19 INTEREST ON ARREARS AND OTHER PENALTY CHARGES

The due date for all municipal accounts is the 7th day of every month.

Interest shall be charged on all arrear accounts at a Prime rate.

In considering each annual budget the council shall review the adequacy of its interest charges, and shall determine the following for the financial year concerned:

- charges for disconnection or restriction of services (part 3)
- charges for reconnection or reinstatement of services (part 4)
- charges for notices of default (part 3)
- penalty charges for illegal reconnections (part 6)
- penalty charges for dishonoured cheques (part 15).

PART 20 INDIGENCY MANAGEMENT

In regard to the payments expected from registered indigents, and the credit control and debt collection actions contemplated in respect of such residents, this by-law must be read in conjunction with the municipality's approved by-law on indigence management.

PART 21 IRRECOVERABLE ARREARS

The effective implementation of the present by-law also implies a realistic review of the municipality's debtor's book at the conclusion of each financial year. The municipal manager shall as soon as possible after 30 June each year present to the council a report indicating the amount of the arrears which it is believed is uncollectable, together with the reasons for this conclusion.

The council shall then evaluate possible means of recovering all unpaid monies, thereafter they will approve the write off of such arrears, if it is satisfied with the explanations provided.

All indigent consumer's accounts will not be written off but will be subsidised by a portion of equitable share.

PART 22 ARREARS WHICH HAVE ARISEN PRIOR TO THE ADOPTION OF THE PRESENT BY-LAW

The council shall separately consider arrears which arose prior to the adoption of the present by-law, and shall advise accountholders of their respective obligations in regard to such arrears. In determining such obligations, the council shall have regard to the quantum of such arrears, to the period over which the default occurred, and to whether the accountholder concerned has registered as an indigent in terms of the municipality's by-law on indigency management. The council shall further consider an incentive scheme which will appropriately encourage accountholders to settle all or a stated percentage of these arrears.

PART 23 BY-LAWS TO BE ADOPTED AND REVISION OF BY-LAW

By-laws shall be adopted to give effect to the council's credit control and debt collection by-law.

The by-laws shall comply with the requirements of the Municipal Systems Act 2000, the Water Services Act 1997 and the Municipal Finance Management Act 2003.

The credit control and debt collection by-law shall be reviewed by the council as part of the process of preparing each annual budget, and any amendments approved of in regard to such by-law shall be consequentially effected in respect of the by-laws.

PART 24 ANNEXURE: LEGAL REQUIREMENTS

It is essential for the protection of the municipality's interests that the provisions of particularly the Municipal Systems Act 2000 and the Property Rates Act 2004, in so far as they provide additional debt collection mechanisms for municipalities, be diligently enforced. At the same time, both the council and the administration must note the obligations which the municipality has towards the community in respect of customer care and relations.

For ease of reference a paraphrase of the relevant extracts from the Municipal Systems Act, specifically Sections 95 to 103 and Section 118, are therefore appended to this by-law, as are Sections 28 and 29 of the Property Rates Act. The immediately relevant extracts from the Water Services Act 1997 and the Municipal Finance Management Act are also included in the annexure.

PART 24 ANNEXTURE PARAPHRASE OF LEGAL REQUIREMENTS

SECTION I: WATER SERVICES ACT NO. 108 OF 1997

SECTION 21: BY-LAWS

The Act requires a municipality, in its capacity as water services authority, to make by-laws which contain conditions for the provision of water services and which provide for the following (inter-alia):

- the standard of the services;
- the technical conditions of supply, including quality standards, units or standards of measurement, the verification of meters, acceptable limits of error and procedures for the arbitration of disputes relating to the measurement of water services provided;
- the determination and structure of tariffs;
- the payment and collection of moneys due for the water services consumed;
- the circumstances under which water services may be limited or discontinued and the procedure for such limitation or discontinuation; and

- the prevention of unlawful connexions to water services works and the unlawful or wasteful use of water.

SECTION II: LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT NO. 32 OF 2000

SECTION 95: CUSTOMER CARE AND MANAGEMENT

A municipality must, in relation to the levying of rates and other taxes, and the charging of fees for municipal services, within its financial and administrative capacity, do the following:

- establish a sound customer management system which aims to create a positive and reciprocal relationship between persons liable for these payments and the municipality itself or (where applicable) a service provider;
- establish mechanisms for users of services and ratepayers to give feedback to the municipality or other service provider with regard to the quality of the services and the performance of the service provider;
- take reasonable steps to ensure that users of services are informed of the costs involved in service provision, the reasons for the payment of service fees, and the manner in which moneys raised from the service are utilised;
- where the consumption of services is measured, take reasonable steps to ensure that the consumption by individual consumers of services is measured through accurate and verifiable metering services;
- ensure that persons liable for payments receive regular and accurate accounts which indicate the basis for calculating the amounts due;
- provide accessible mechanisms for those persons to query or verify accounts and metered consumption, as well as appeal procedures which allow such persons to receive prompt redress for inaccurate accounts;
- provide accessible mechanisms for dealing with complaints from such persons, together with prompt replies and corrective action by the municipality;
- provide mechanisms to monitor the response time and efficiency in complying with the aforementioned requirements; and
- provide accessible pay points and other mechanisms for settling accounts or for making prepayments for services.

SECTION 96: DEBT COLLECTION RESPONSIBILITY OF MUNICIPALITIES

A municipality must collect all moneys that are due and payable to it, subject to the requirements of the present Act and any other applicable legislation. For this purpose, the municipality must adopt, maintain and implement a credit control and debt collection by-law which is consistent with its rates and tariff policies and which complies with the provisions of the present Act.

SECTION 97: CONTENTS OF BY-LAW

The municipality's credit control and debt collection by-law must provide for all of the following:

- credit control procedures and mechanisms;
- debt collection procedures and mechanisms;
- provision for indigent debtors in a manner consistent with its rates and tariff policies and any national by-law on indigents;
- realistic targets consistent with generally recognised accounting practices and collection ratios, and the estimates of income set in the budget less an acceptable provision for bad debts;
- interest on arrears (where appropriate);
- extensions of time for payment of accounts;
- termination of services or the restriction of the provision of services when payments are in arrears;
- matters relating to unauthorised consumption of services, theft and damages; and
- any other matters that may be prescribed by regulation in terms of the present Act.

The municipality, within its discretionary powers, may differentiate in its credit control and debt collection by-law between different categories of ratepayers, users of services, debtors, taxes, services, service standards and other matters, and, if so, must ensure that such differentiation does not amount to unfair discrimination.

SECTION 98: BY-LAWS TO GIVE EFFECT TO BY-LAW

The council of the municipality must adopt by-laws to give effect to the municipality's credit control and debt collection by-law, its implementation and enforcement.

Such by-laws may differentiate between different categories of ratepayers, users of services, debtors, taxes, services, service standards and other matters, and, if so, must ensure that such differentiation does not amount to unfair discrimination.

SECTION 99: SUPERVISORY AUTHORITY

A municipality's executive mayor or executive committee, as the case may be, or – if the municipality does not have an executive committee or executive mayor – the council of the municipality itself, or a committee appointed by the council as the supervisory authority, must do all of the following:

- oversee and monitor the implementation and enforcement of the municipality's credit control and debt collection policies and any by-laws enacted in terms of the

- foregoing requirements, and the performance of the municipal manager in implementing the policies and by-laws;
- where necessary, evaluate or review the policies and by-laws, and the implementation of such policies and by-laws, in order to improve the efficiency of its credit control and debt collection mechanisms, processes and procedures; and at such intervals as may be determined by the council, report to a meeting of the council, except when the council itself performs the duties of the supervisory authority.

SECTION 100: IMPLEMENTING AUTHORITY

The municipal manager, or – where applicable – the service provider must:

- implement and enforce the municipality's credit control and debt collection policies and by-laws enacted in terms of the foregoing requirements;
- in accordance with the credit control and debt policies and any by-laws, establish effective administrative mechanisms, processes and procedures to collect moneys due and payable to the municipality; and

at such intervals as may be determined by the council, report the prescribed particulars to a meeting of the supervisory authority referred to previously.

SECTION 101: MUNICIPALITY'S RIGHT OF ACCESS TO PREMISES

The occupier of premises in a municipality must give an authorised representative of the municipality or of a service provider access at all reasonable times to the premises in order to read, inspect, install or repair any meter or service connexion for reticulation, or to disconnect, stop or restrict the provision of any service.

SECTION 102: ACCOUNTS

Except where there is a dispute between the municipality and the person from whom the municipality has claimed any specific amount, a municipality may:

- consolidate any separate account of such person;
- credit a payment by such person against any account of that person; and
- implement any of the debt collection and credit control measures provided for in the present Act in relation to any arrears on any of the accounts of such person.

SECTION 103: AGREEMENTS WITH EMPLOYEES

A municipality may, within its discretionary powers, but with the consent of any person liable to the municipality for the payment of rates or other taxes or fees for municipal services, enter into an agreement with such person's employer to deduct from the salary or wages of such person

any outstanding amounts due by such person to the municipality or such regular monthly amounts as may be agreed to.

The municipality may further, within its discretionary powers, provide special incentives for employers to enter into such agreements and for employees to consent to such agreements.

SECTION 118: RESTRAINT ON TRANSFER OF PROPERTY

The registrar of deeds or any other registration officer of immovable property may not register the transfer of any property other than on the production to such registration officer of a prescribed certificate issued by the municipality in which such property is situated, and which certificate certifies that all amounts due in connexion with such property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid.

A municipality may recover, as far as is practicable, all amounts due to it for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties, in preference to any mortgage bonds registered against any property which is to be transferred.

CODE OF CONDUCT FOR MUNICIPAL STAFF MEMBERS

Paragraph 10 of this Code of Conduct stipulates that if any staff member of a municipality is in arrears to the municipality for rates and service charges for a period longer than 3 months, the municipality may deduct any outstanding amounts from such staff member's salary after this period.

CODE OF CONDUCT FOR COUNCILLORS

Section 6A of this code requires councillors to pay all rates, tariffs, rents and other moneys due to the municipality promptly and diligently.

The municipal manager is further required to notify the speaker of the council and the MEC for Local Government, in writing, whenever a councillor has been in arrears with any of these payments for a period exceeding 30 days.

SECTION III: LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT NO. 56 OF 2003

SECTION 64: REVENUE MANAGEMENT

The accounting officer of the municipality is responsible for the management of the municipality's revenues, and must, for this purpose, take all reasonable steps to ensure:

- that the municipality has effective revenue collection systems consistent with Section 95 of the Municipal Systems Act 2000 and the municipality's credit control and debt collection policies;
- that revenues due to the municipality are calculated on a monthly basis;
- that accounts for municipal taxes and charges for municipal services are prepared on a monthly basis, or less often as may be prescribed where monthly accounts are uneconomical;
- that all moneys received are promptly deposited in accordance with the requirements of the present Act, into the municipality's primary and other bank accounts;
- that the municipality has and maintains a management, accounting and information system which recognises revenues when they are due, accounts for debtors, and accounts for receipts of revenues;
- that the municipality has and maintains a system of internal control in respect of debtors and revenues, as may be prescribed;
- that the municipality charges interest on arrears, accept where the council has granted exemptions in accordance with its budget related policies and within a prescribed framework; and
- that all revenues received by the municipality, including revenues received by any collecting agent on its behalf, are reconciled at least on a weekly basis.

The accounting officer must immediately inform the national treasury of any payments due by an organ of state to the municipality in respect of municipal taxes or for municipal services, if such payments are regularly in arrears for periods of more than 30 days.

NOTE: SECTION 164: FORBIDDEN ACTIVITIES

Section 164(1)(c) lists as a forbidden activity the making by a municipality of loans to councillors or officials of a municipality, directors or officials of any municipal entity, and members of the public. It has been assumed for purposes of compiling the credit control and debt collection by-law that allowing any party to pay off arrears of rates and municipal service charges is not tantamount to the making of a loan in terms of Section 164.)

SECTION IV: LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT NO. 6 OF 2004

SECTION 28: RECOVERY OF RATES IN ARREARS FROM TENANTS AND OCCUPIERS

If the rates owed by a property owner are unpaid by due date, the municipality may recover such rates, either in whole or in part, from any tenant or occupier of the property concerned.

However, the tenant or occupier of the property must first be given written notice of the municipality's intentions, and the amount which the municipality may recover is limited to the amount of rent and other moneys due and unpaid by the tenant or occupier to the property owner concerned.

SECTION 29: RECOVERY OF RATES FROM AGENTS

If it is more convenient for the municipality to do so, it may recover the rates due on a property, either in whole or in part, from the agent of the property owner concerned.

However, the agent must first be given written notice of the municipality's intention, and the amount the municipality may recover is limited to the amount of any rent and other moneys received by the agent on behalf of such property owner, less any commission due to the agent.

LOCAL AUTHORITY NOTICE 38**MORETELE LOCAL MUNICIPALITY****Notice**

In terms of section 13 of the Local Government: Municipal System Act no.32 of 2000 as amended; the Moretele 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.

MUNICIPAL PROPERTY RATES BY-LAW

By-law Adoption Date: **1 November 2013**

Council Resolution Number: **MLM901-10-2013**

PART 1 PREAMBLE

The municipality derives its power to levy rates from section 229(1) of the Constitution of the Republic of South Africa.

The obligation on a Council of a municipality to adopt and implement a rates by-law on the levying of rates on rateable property is derived from the following legislation:

- Section 3(1) of the Municipal Property Rates Act, Act 6 of 2004 (MPRA).
- Section 62(1) of the Municipal Finance Management Act, Act 56 of 2003 (MFMA).

The by-law of the Moretele Local Municipality for levying rates on rateable property is set out in this document. The Council adheres to all requirements of the Municipal Property Rates Act (MPRA) and Municipal Finance Management Act (MFMA) including any regulations promulgated in terms of these Acts.

The rates by-law only rules the rating of valued property which are valued according to the Municipal Property Rates Act, Act 6 of 2004 and its regulations as published under Government Notice 1856 of 2005 in Government Gazette 28113 dated 13 October 2005 and does not rule or guide the processes of property valuation and approval of the valuation roll.

As part of each annual operating budget the Council is obliged to impose a rate in the rand on the market value of all rateable properties as recorded in the municipality's valuation roll or supplementary valuation roll(s). Rateable property shall include any rights registered against such property, with the exception of a mortgage bond. Generally, all land within the Moretele Local Municipal area of jurisdiction is rateable unless it is specifically exempted as set out in Section 15 of the MPRA and includes:

- cemeteries
- sport grounds for exercising amateur sport
- properties owned by welfare organisations
- The rates by-law sets out the broad policy framework within which the municipality rates its area as per Section 3 of the MPRA, and gets annually reviewed and, when necessary, amends the municipality's rates of assessment as per section 5 of the MPRA.

PART 2 DEFINITIONS

All material technical defined in the terms are defined in each appropriate section of MFMA and MPRA.

PART 3 STRATEGIC FOCUS

3.1 By-law objectives

- to ensure certainty and clarity as to amounts payable in respect of property rates;
- to ensure the promotion of efficient, economic and effective use of resources;
- to promote development and endeavour to attract investment for job creation;
- to spread the rates burden impartially, fairly, equitably and without bias;
- to create an opportunity for public participation in by-law making;
- to contribute towards the accountability of the municipality;
- to contribute towards the transparency of the municipality;
- to contribute towards the financial sustainability of the municipality; and
- to protect citizens against exploitation by the municipality.

3.2 Principles of taxation

- an **autonomous tax** – the determination and levying of the tax will be in the discretion of the Council of the municipality;
- a **productive tax** – an appropriate difference between the income and the cost of the tax;
- a **broad as possible tax base** – the base is the valuation roll, with as little as possible tax avoidance and – evasion;
- a tax, which takes **ability-to-pay and benefits** received into account in ensuring horizontal and vertical fairness;
- a **progressive tax system**, which in relation taxes the rich more than the poor;
- a tax, which **attracts the correct activities** to the municipality, ensuring a caring municipality, and discourages, unwanted activities;
- an **impartial tax** with exemptions, reductions and rebates where appropriate;
- an **easy tax system** that simplifies calculating, enquiries, payments and making arrangements;
- a **simple tax**, which ensure low administration -, compliance – and collection costs;
- **sureness of the tax** and the income from this source;
- a **tax with which** the citizens of the municipality **can identify** and which breeds high tax morality;
- a **tax system** and – by-law, which is subject to *community participation and social control*.

3.3 Determining the rate on property, exemptions, rebates and reductions

The Council of the municipality has to annually consider:

- the impact of rates on the community;
 - the impact of rates on businesses;
 - the current economic climate;
 - the integrated development plan (IDP) of the municipality;
 - the town development strategy and financial plan of the municipality;

Mitigating major shocks to ratepayers when moving from a site rating on the total market value (land and buildings) of a property.

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PART 4 ANNUAL ADOPTION OF THE BY-LAW

The rates by-law will be reviewed annually in compliance with section 5(1) of the MPRA and according to the budget timetable tabled by the Executive Mayor in accordance with section 21(1)(b)(ii)(bb) of the MFMA with the tabling of the annual budget as per section 16(2) of the MFMA.

Community participation will take place in accordance with chapter 4 of the Local Government: Municipal Systems Act, Act 32 of 2000 and by following the processes as per sections 21A and 21B of the Municipal Systems Act, Act 32 of 2000 (as contained under section 5 of the Municipal Systems Act Amendment Act, Act 44 of 2003) as follows:

- as a document made public (section 21A):
 - displayed at the head and satellite offices and libraries of the municipality.
 - displayed on the municipality's official website (as per prescriptions contained under section 21B).
 - notified to the local community of the place, including website address, where detailed particulars can be obtained.
 - inviting the local community to submit written comments or representations to the municipality in respect of the published document.

PART 5 KEY PRINCIPLES

5.1 Equity

The fundamental principle is that taxpayers in similar circumstances will pay similar levels of tax and taxpayers with greater ability to pay larger amounts of tax, however, in local government the value of a ratepayer's property is the proxy or surrogate for the ability to pay. The circumstances for an individual ratepayer are only taken into account in respect to any exemptions, rebates or reduction that may be granted. Rates are *levied on an ad valorem* (by value) basis that is pro-rata to the value of the property.

In the local government context the application of the *equity* principle would suggest that the tax (the rate in the rand) would be the same for all ratepayers in a municipal area, unless some compelling application of other taxation principles changes in the incidence of the tax. The main reasons why one ratepayer may pay a different rate than another ratepayer are:

- different rates levied on different categories;
- exemptions;
- rebates; and

- reductions

Although these mechanisms were created by the MPRA, the application thereof should be justified. The main reason is to retain the historical level of contribution of the various categories of properties to the income from assessment rates and thereof minimize the impact on ratepayers.

5.2 Affordability

In considering affordability, the total municipal account, and not only the rates account will be considered. The Council of the municipality will endeavour to limit the annual increase in the revenue from property rates to a threshold linked to the consumer price index on a year to year basis at the time of tabling the annual operating budget, except when the approved integrated development plan (IDP) of the municipality demand for a greater increase.

5.3 Poverty alleviation

The effect of rates on the poor has been taken into account in terms of the municipality's free basic services and indigent support policy. The first R15 000 of the value of all residential property according to the approval of valuation roll will be exempted from the payment of assessment rates.

5.4 Limitation of rates increases

There would be no phasing in of rates based on the new valuation roll, except as prescribed by legislation and in accordance with clause 10 of this by-law.

PART 6 AMOUNT DUE FOR RATES

The Council of the municipality shall as part of each annual operating budget determine a rate in the rand for every category of ratepayer.

The determination of such rate shall concur with the limits as per section 16(1) of the MPRA on property that would materially and unreasonably prejudice:

- national economic policies;
- economic activities across the municipal boundaries;
- the national mobility of goods, services, capital and labour.

and therefore, in terms of section 17(1) of the MPRA specified impermissible rates are excluded from the rating structure and are reflected as exemptions under paragraph 10.2 of the By-law.

PART 7 LIABILITY FOR RATES

- 7.1 A rate levied by the municipality on a property must be paid by the owner of the property as regulated by section 24 of the MPRA.
- 7.2 When transfer of property takes place, the incidence of property rates falls as a charge on the new owner from date of registration by the Registrar of Deeds.
- 7.3 Rates are levied on an annual basis at the start of the financial year as per section 12(1) of the MPRA, but for the convenience for ratepayers raised monthly on combined consumer accounts and payable within seven (7) working days of the following month according to the payment cut-off date stipulated on the specific monthly account.
- 7.4 Annually levied property tax and tariffs may not be changed during a financial year except for the purpose of a financial recovery plan as per section 28(6) of the MFMA.
- 7.5 Arrear payment on property rates at the monthly or annually due dates, are subject to interest determined to be 6%.
- 7.6 When rates are levied in respect of a full financial year, the responsibility vests on the first day of that financial year.
- 7.7 When rates are levied in respect of a valuation in a supplementary valuation roll, and the rates on that valuation are levied for the first time, the liability to pay the rates vests on the first day of the month following the completion of the public inspection period required by section 50 of the MPRA.
- 7.8 The final day for payment of annually levied and payable rates is 30 September of the specific financial year.
- 7.9 Any decision on the determent of payment of a rate is subject to the stipulations of the municipality's credit control and debt collection policy.
- 7.10 The municipality may recover arrear rates from tenants or occupiers of rated property, or from agents of the owner of such property equal to the value of unpaid rental in terms of section 28 and 29 of the MPRA.
- 7.11 The seller of property will be liable for property rates until the necessary correspondence is received from the seller or his/her [seller] proxy informing the municipality of a change in ownership due to a sale that occurred.

PART 8 VALUATION OF RATEABLE PROPERTIES

A general valuation of all rateable properties will be undertaken and a valuation roll compiled every four (4) years. The period for which the valuation roll remains valid may be extended to five (5) years, by the MEC.

Supplementary valuations will be undertaken on an ongoing basis.
Supplementary valuation rolls will be compiled once a year.

Amendments to the valuation roll to reflect changes to the owner, address, category, extent, description or other prescribed particulars as contemplated by section 79 of the MPRA will be done annually and only the electronic copy of the valuation roll will be updated.

PART 9 LEVYING OF RATES

9.1 Property not subject to rates

Rates will not be levied on the transportation corridors of public service infrastructure owned by the municipality, such as:

roads and streets
railway lines
pipelines
cabling or overhead conductor

9.2 Categories for rating purposes

In relation to property a category relates to properties determined in terms of Section 8 of the MPRA and in relation to owners of properties it means category of owners as determined in terms of section 15(2) of the MPRA.

The category will be determined by the actual use of the property and if the property is not in use, the zoning and/or permitted use will determine same. The Municipal Valuer will be responsible for the categorizing of properties and the maintenance thereof as any change in use of a property may result in a change to the category.

The categories that are determined in line with section 8(1) of the MPRA, are:

CATEGORY

- agricultural
- businesses
- cemeteries
- churches
- educational

- government
- institutions
- public roads
- public spaces
- reservoirs
- residential
- vacant stands
- other (not known)

Units under sectional title will separately be assessed.

Each category shall be assessed in terms of MPRA, where a relevant tariff is applied against the market value of property less applicable rebate.

PART 10 RELIEF MECHANISMS

The Council of the municipality may grant exemptions, rebates and reductions in recognition of Section 15(2) of the MPRA:

10.1 Rebates

When a specific category of owners of properties or the owners of a specific category of properties qualify for more than one rebate at a given time, each rebate will be calculated on the total levy amount.

10.1.1 Indigent rebate

As determined by the municipality's free basic services and indigent support policy.

10.1.2 Rebate to limit the increase of rates

A general valuation of all rateable properties will be undertaken and a valuation roll compiled every four (4) years.

The period for which the valuation roll remains valid may be extended to five (5) years by the MEC.

10.1.3 Rebates on newly rateable property

Newly rateable property will be phased in as follows:

- In the 2009/2010 financial year a rebate of 100%;
- In the 2010/2011 financial year a rebate of 75% of the rate;
- In the 2011/2012 financial year a rebate of 50% of the rate;
- In the 2012/2013 financial year a rebate of 25% of the rate; and

- In the 2013/2014 financial year the rate will be payable without any rebate

10.1.4 Rebates on new private infrastructure developments

A rebate of 85% in the residential rate be allowed for property where a single property become divided into 10 or more full title units and all services, inclusive of water, sewerage, electricity and roads are installed by the developer at his own cost for a period of two (2) years from the date of registration of the subdivision or the proclamation of the transfer for a shorter period until the newly erected units are sold off or improved before expiry of the two (2) year period.

10.2 Exemptions

- 10.2.1 rateable property registered in the name of a welfare organization registered in terms of the National Welfare Act, 1978 (Act 100 of 1978).
- 10.2.2 rateable property owned by public benefits organisations and used for any specific public benefit activity as listed in item 1,2 and 4 of part 1 of the Ninth Schedule to the Income Tax Act.
- 10.2.3 museums, art galleries, libraries and botanical gardens which are registered in the names of private persons and which are open to public, whether admission is charged or not;
- 10.2.4 national monuments including ancillary business activities at national monuments;
- 10.2.5 rateable property registered in the name of a trustee or trustees or any organisation which is being maintained for the welfare of war veterans as defined in section 1 of the Social Aid Act (House of Assembly), 1989, Act 37 of 1989, and their families;
- 10.2.6 sport grounds used for the purposes of amateur sport and any social activities which are connected with such sport;
- 10.2.7 rateable property registered in the name of the Boy Scouts, Girl Guides, Sea Scouts, Voortrekkers or any organisation which is in the opinion of the municipality similar or any rateable property let by the municipality to any such organisation;
- 10.2.8 rateable property registered in the name of a declared institution as defined in section 1 of the Cultural Institutions Act, 1969, Act 29 of 1969, or the Cultural Institutions Act (House of Assembly), 1989, Act 66 of 1989.
- 10.2.9 in addition to the first R15 000,00 of exemption as per paragraph 5.3 of the by-law a further rebate which will eventually be a total of 100% of levied residential rates for property owners over the age of 60 years or being the breadwinner and total dependant

from their social pension and or any other pension comparable to social disability pension, subjected to the following conditions:

- (a) the combined income of land owner and his/her spouse not exceed R26 400,00 per annum.
- (b) the property is occupied by the owner.
- (c) in the case of mentally disabled property owners, proof of being instituted at an institution for the necessary care, treatment or rehabilitation.

10.2.10 in addition to the first R15 000,00 of exemption as per paragraph 5.3 of the by-law a further rebate which will eventually be a total of 100% of levied residential rates for households where a direct family member is instituted as a mentally disabled patient subject to the following conditions:

- (i) the property is occupied by the owner.

10.2.11 all properties as specified by section 17(1) of the MPRA as follows:

- on the first 30% of the market value of public service infrastructure comprising of: water, sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants, or water pumps, forming part of a water scheme serving the public.
- on those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a national botanical garden within the meaning of the National Environmental Management Biodiversity Act, 2004, which are not developed or used for commercial business, or residential agricultural purposes;
- on mineral rights within the meaning of paragraph (b) of the definition of “*property*” in Section 1 of the MPRA;
- on a property belonging to a land reform beneficiary or his or her heirs, provided that this exclusion lapses ten years from the date on which such beneficiary’s title was registered in the office of the Registrar of Deeds; on the first R15 000,00 of the market value of the property assigned in the valuation roll of a municipality to a category determined by the municipality:
 - (i) for residential purposes including second dwellings and duets not subject to a sectional title scheme;
 - (ii) for properties used for multiple purposes, provided one or more components of the property and which forms the major part of the property, are used for residential purposes; or
- on a property registered in the name of and used primarily as a place of public 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 services at that place of worship.

The exemptions as contained under sub-paragraphs 10.2.1 to 10.2.10 above may only be granted upon formal written applications submitted by the owners for consideration in terms of section 15(2) of the MPRA.

10.3 Reporting of all exemptions, rebates and reductions

10.3.1 The Municipal Manager must annually within two months prior to the end of a financial year table in Council according to section 15(3) and (4) of the MPRA with relation to the following financial year:

- (i) such exemptions, rebates and reductions;
- (ii) exclusions referred to in section 17(1)(a), (e), (g), (h) and (i) of the MPRA; and
- (iii) the phasing-in discount granted in terms of section 21 of the MPRA.

10.3.2 All exemptions, rebates and reductions projected for a financial year must be reflected in the municipality's annual budget for that year as:

- (a) income on the revenue side; and
- (b) expenditure on the expenditure side.

PART 11 DISCLAIMER

Any rate to be levied on rateable property in terms of this by-law or any section of applicable legislation and by way of oversight or any other error not levied, cannot be challenged on the basis of non-compliance with this by-law, and must be paid in accordance with the required payment provision.

Where a ratepayer believes that the Council has failed to properly apply this by-law he/she should raise the matter with the Chief Financial Officer.

PART 12 BY-LAWS TO GIVE EFFECT TO POLICY

The council of the municipality must adopt by-laws to give effect to the municipality's rates policy, its implementation and enforcement.

Such by-laws may differentiate between different categories of ratepayers, users of services, debtors, taxes, services, service standards and other matters, and, if so, must ensure that such differentiation does not amount to unfair discrimination

NOTICE – CHANGE OF TELEPHONE NUMBERS: GOVERNMENT PRINTING WORKS

As the mandated government security printer, providing world class security products and services, Government Printing Works has adopted some of the highly innovative technologies to best serve its customers and stakeholders. In line with this task, Government Printing Works has implemented a new telephony system to ensure most effective communication and accessibility. As a result of this development, our telephone numbers will change with effect from 3 February 2014, starting with the Pretoria offices.

The new numbers are as follows:

- Switchboard : 012 748 6001/6002
- Advertising : 012 748 6205/6206/6207/6208/6209/6210/6211/6212
- Publications Enquiries : 012 748 6052/6053/6058 GeneralEnquiries@gpw.gov.za
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