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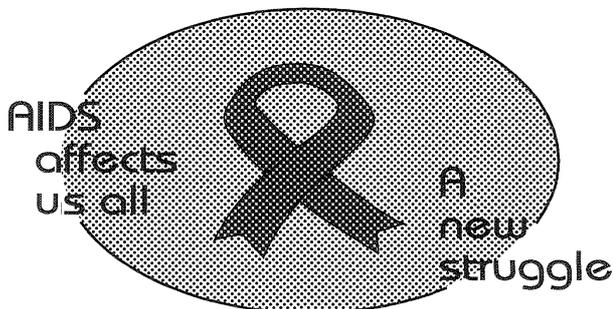
**Vol. 7**

**PIETERMARITZBURG,**

26 JULY 2013  
26 JULIE 2013  
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**No. 992**

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## MUNICIPAL NOTICES

**No. 76****26 July 2013**

The Council of Umvoti Local Municipality has in terms of Section 156 of the Constitution, 1996 (Act No. 108 of 1996), read in conjunction with section 11 of the Local Government : Municipal Systems Act, 2000, (Act No. 32 of 2000), made the following By-laws:

**UMVOTI LOCAL MUNICIPALITY**

**TARIFF POLICY BY-LAWS**

**PREAMBLE**

**WHEREAS** section 74 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) requires a municipal council to adopt a tariff policy on the levying of fees for municipal services;

**AND WHEREAS** such policy was adopted by the Umvoti Local Municipality;

**AND WHEREAS** section 75(1) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) requires a municipal council to adopt By-laws to give effect to the implementation and enforcement of its tariff policy;

**NOW THEREFORE** the municipal council of Umvoti Local Municipality approves and adopts the following Tariff Policy By-laws:

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9. DETERMINATION, NOTICE OF TARIFFS, FEES AND LEVIES AND OBJECTIONS
10. PHASING IN OF TARIFFS, FEES AND LEVIES
11. CONFLICT OF LAW
12. SHORT TITLE

**1. DEFINITIONS**

- (1) Unless the context otherwise indicates -

**“community services”** means services that the Council has classified as such, in respect of which the tariffs have been calculated with the intention that the costs of the services cannot be recovered from public service charges and are of a regulatory nature;

“**municipality**” means the Umvoti Local Municipality;

“**economic services**” means services that the Council has classified as such, in respect of which the tariffs have been calculated with the intention that the total costs of the services are recovered from users, as far as possible;

“**fixed costs**” means costs, which do not vary with increased or decreased consumption or volume produced;

“**flat rate**” means the unit tariffs that do not relate to individual consumers, but are calculated by dividing the total costs by volume used by all the users together, subject to the flat rate;

“**Tariff Policy**” means the Tariff Policy of the Umvoti Local Municipality approved by the municipal council in terms of section 74 of the Municipal Systems Act, 2000 (Act No. 32 of 2000);

“**the Act**” means the Local Government : Municipal Systems Act, 2000 (Act No. 32 of 2000);

“**total cost**” means the sum-total of all fixed and variable costs related to a service;

“**trading services**” means services that the Council has classified as trading services, in respect of which the tariffs have been calculated with the intention that the Council makes a profit on the delivery of the services;

“**units consumed**” means the number of units of a particular service consumed and are measured in terms of the units of measurement contemplated in section 8 of this By-law;

“**variable costs**” means costs that vary with increased or decreased consumption or volume produced;

“**electricity stepped tariffs**”

- (2) Words applying to any individual shall include persons, companies and corporations, and the masculine gender shall include females as well as males, and the singular number shall include the plural and *vice versa*.

## 2. PURPOSE OF THESE BY-LAWS

The purpose of these By-laws is:-

- (1) to comply with the provisions of section 75 of the Act;
- (2) to prescribe procedures for calculating tariffs where the municipality wishes to appoint service providers in terms of section 76(b) of the Act; and
- (3) to serve as guidance to the designated councillor regarding tariff proposals that must be submitted to Council annually during the budget process.

## 3. TARIFF PRINCIPLES

- (1) The following tariff principles based on the tariff policy set out in section 74(2) of the Act, apply to the levying of fees for municipal services:-
  - (a) all users of municipal services must be treated equitably in the application of tariffs and the various categories of users must consequently pay the same charges based on the same cost structure;
  - (b) the amount payable must be in proportion to usage and based on the tariff structure adopted for the approved category of users;

- (c) indigent households must have access to basic services through free basic services or direct subsidisation in accordance with the Council's Indigent Support Policy as reflected as part of its Credit Control and Debt Collection Policy;
- (d) tariffs must reflect the total cost of services, if possible;
- (e) tariffs must be set at a level that facilitates the sustainability of services where possible; and
- (f) sustainability must be achieved by ensuring that -
  - (i) cash inflows cover cash outflows, which means that sufficient provision for working capital or bad debts must be made where possible; and
  - (ii) access to the capital market (if and when required) is maintained by providing for the repayment of capital, maintaining sufficient liquidity levels and making profits on trading services.
- (g) provision must be made in appropriate circumstances for a surcharge on a tariff if and when necessary for major breakdowns in infrastructure and periods of droughts when a restriction of usage is required;
- (h) efficient and effective use of resources must be encouraged by providing for penalties to prevent exorbitant use;
- (i) the extent of subsidisation of tariffs must be disclosed by publishing the true costs of the service and the level of subsidy as well as the source of the subsidy.

#### 4. CATEGORIES OF USERS

- (1) The tariff structure of the Umvoti Local Municipality must make provision for the following categories of users:-
  - (a) domestic;
  - (b) commercial;
  - (c) industrial;
  - (d) agricultural;
  - (e) state;
  - (f) rural;
  - (g) municipal; and
  - (h) public service infrastructure
  - (i) users not falling in any of the abovementioned categories and with whom special agreements have been entered into.
- (2) Where there is a substantial difference between the standard of services provided to a specified category of users, the Council may, after the presentation of an engineers report by the portfolio councillor, determine differentiated tariffs within the specified category.

**5. COST CENTRES, CLASSIFICATION OF SERVICES, EXPENDITURE CLASSIFICATION AND COST ELEMENTS****(1) Cost centres**

To determine the total cost of services the Chief Financial Officer must create cost centres, based on the service and expenditure classification prescribed by National Treasury from time to time.

**(2) Classification of services**

Provision for the following classification of services must be made:-

**(a) Trading services**

- (i) electricity.

**(b) Economic services**

- (i) refuse removal.

**(c) Community services**

- (i) building control;
- (ii) cemeteries;
- (iii) childcare facilities;
- (iv) control of public nuisances;
- (v) control of undertakings that sell liquor to the public;
- (vi) facilities for accommodation, care and burial of animals;
- (vii) fencing and fences;
- (viii) fire fighting services;
- (ix) fixed billboards and the display of advertisements in public places;
- (x) licensing and control of undertakings that sell food to the public;
- (xi) licensing of dogs;
- (xii) local amenities;
- (xiii) local sport facilities;
- (xiv) local tourism;
- (xv) municipal parks and recreation;
- (xvi) municipal planning;
- (xvii) municipal public works, only in respect of the needs of the municipality in the discharge of its responsibilities and to administer functions specially assigned to it under the Constitution or any other law;
- (xviii) municipal roads;
- (xix) noise pollution;
- (xx) parking;

- (xxi) pounds;
- (xxii) public places;
- (xxiii) recreation resorts;
- (xxiv) storm water management system in built-up areas;
- (xxv) street trading/street lighting;
- (xxvi) trading regulations;
- (xxvii) traffic.

**(d) Subsidised services**

- (i) libraries and museums.

**(3) Expenditure classification**

Expenditure must be classified in terms of the requirements of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

**(4) Cost elements**

The following cost elements must be used to calculate the tariffs of the different services:-

- (a) fixed costs, which consist of the capital costs (interest and redemption) on external loans as well as internal advances and or depreciation, whichever are applicable to the service and any other costs of a permanent nature as determined by the Council from time to time;
- (b) variable cost : includes all other variable costs that have reference to the service;
- (c) total cost is equal to the fixed cost plus variable cost.

**6. DEPOSITS**

- (1) The raising of deposits is permissible where certain levies are made in arrears and payable with application for relevant service:-
  - (a) Electricity: Two times the average monthly consumption of the past six (6) months with a minimum as determined annually.
  - (b) Rental: Equal to monthly rental, external parties rental payable in advance.
  - (c) Other services: as and when required.

**7. TARIFF TYPES**

- (1) In setting service charges the Council must:-
  - (a) accurately reflect costs to achieve economic efficiency, if and when possible;
  - (b) ensure equity and fairness between different types of consumers;
  - (c) utilise appropriate metering and supporting technology; and
  - (d) be transparent.

## 8. UNIT OF MEASUREMENT

The following units of measurement must, where possible, be used to determine tariffs:-

### (1) Electricity

Electricity meters will be read and levied on a monthly basis unless the services is rendered through a prepayment device:-

- (a) maximum demand plus fixed costs plus kWh consumed;
- (b) fixed costs plus kWh consumed;
- (c) kWh consumed.

### (2) Refuse Removal

A monthly amount levied is due and payable by the registered owner and/or tenant and recoverable with clearance certificate in terms of legislation and prevailing legal judgments.

### (3) Social Benefits

- (a) To measure social benefits enjoyed by the community, the standards as set out in the tables hereunder, shall be used to achieve cost recovery, if possible and to measure service delivery.
- (b) These measures must be used:-
  - (i) to ensure that the service is affordable to Council, households and businesses;
  - (ii) to determine whether the infrastructure provided is managed effectively; and
  - (iii) to indicate whether any of the services should be curtailed.
- (c) Measures indicated, should be calculated annually and used as a guideline to ensure meaningful reporting. Actual unit costs must be compared with budgeted costs.

## 9. DETERMINATION, NOTICE OF TARIFFS, FEES AND LEVIES AND OBJECTIONS

### (1) The Council may:-

- (a) by resolution, supported by a majority of the members of the Council, levy and recover levies, fees, taxes and tariffs, in respect of any function or service of the municipality in terms of section 11 of the Municipal Systems Act, 2000;
- (b) from time to time, by resolution, amend or withdraw such determination and determine a date, on which such determination, amendment or withdrawal shall come into operation; and
- (c) recover any charges so determined or amended, including interest on any outstanding amount.

### (2) After a resolution as contemplated in subsection 9(1)(b) has been passed, the Municipal Manager of the municipality shall forthwith cause the tariffs to be published in terms of the prescribed procedure in terms of the Act.

## 10. PHASING IN OF TARIFFS, FEES AND LEVIES

- (1) The Council must annually consider the methods by which tariffs, fees and levies will be calculated and by resolution amend its Tariff Policy, and terms of the budgeting process.
- (2) Where the newly calculated tariffs, fees and levies differ substantially from the current tariffs, Council may resolve to phase in the differences over a period of time.

**11. CONFLICT OF LAW**

- (1) When interpreting any provision of these By-laws, any interpretation which is reasonable and consistent with the objectives of the Act as set out in Chapter 8, Part 1, on Service Tariffs, must be preferred over any alternative interpretation which is inconsistent with these objectives.
- (2) If there is any conflict between these By-laws and any other By-laws of the Council relating to tariffs, these By-laws shall prevail.

**12. SHORT TITLE**

These By-laws are called the Tariff By-laws of the Umvoti Local Municipality and takes effect on the date of promulgation of these By-laws.

No. 77

26 July 2013

**UMVOTI LOCAL MUNICIPALITY****CREDIT CONTROL AND DEBT COLLECTION  
POLICY****PREAMBLE**

**Whereas** Section 96(a) of the Local Government :Municipal Systems Act, No 32 of 2000 obliges the municipality to collect all money that is due and payable to it, subject to the provisions of that Act, and any other applicable legislation;

**And whereas** Section 96(b) of the Systems Act requires the Municipality to adopt, maintain, and implement a credit control and debt collection policy, which is consistent with its rates and tariff policies, and complies with the provisions of the Act;

**And whereas** Section 97(1) of the Systems Act stipulates what a credit control and debt collection policy must provide for;

**Now therefore** the following is adopted as the Credit Control and Debt Collection Policy of the Municipality, as set out hereunder.

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**ANNEXURE A: APPLICATION FOR MUNICIPAL SERVICES****ANNEXURE B: APPLICATION FOR REGISTRATION AS INDIGENT CUSTOMER****CHAPTER 1****1. DEFINITIONS**

For the purpose of this Policy, any word or expression to which a meaning has been assigned in the Act shall bear the same meaning in this Policy and unless the context indicates otherwise:–

**“account”** means any account rendered for municipal services provided;

**“Act”** means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), as amended from time to time;

**“actual consumption”** means the measured consumption of any customer;

**“applicable charges”** means the rate, charge, tariff, flat rate, or subsidy determined by the municipal council;

**“average consumption”** means the average consumption of a customer of a municipal service during a specific period, which consumption is calculated by dividing that customer's total measured consumption of that municipal service over the preceding three months by three;

**“agreement”** means the contractual relationship between the municipality or its authorised agent and customer, whether written or deemed;

**“area of supply”** means any area within the area of jurisdiction of the municipality to which a municipal service or municipal service or municipal services are provided;

**“arrears”** means any amount due, owing and payable by a customer in respect of municipal services not paid on the due date;

**“authorised agent”** means:–

- (a) any person authorised by the municipal council to perform any act, function or duty in terms of, or exercise any power under this Policy; and/or
- (b) any person to whom the municipal council has delegated the performance of certain rights, duties and obligations in respect of providing revenue services; and/or
- (c) any person appointed by the municipal council in terms of a written contract as a service provider to provide revenue services to customers on its behalf, to the extent authorised in such contract;

**“commercial customer”** means a customer other than household and indigent customers, including without limitation, business, government and institutional customers;

**“connection”** means the point at which a customer gains access to municipal services;

**“customer”** means a person with whom the municipality or its authorised agent has concluded an agreement for the provision of municipal services;

**“defaulter”** means a customer who owes arrears;

**“due date”** means the date on which the amount payable in respect of an account becomes due, owing and payable by the customer, which date shall be not less than 14 days after the date of the account;

**“emergency situation”** means any situation that if allowed to continue poses a risk or potential risk to the financial viability or sustainability of the municipality or a specific municipal

service;

**“estimated consumption”** means the deemed consumption by a customer whose consumption is not measured during a specific period, which estimated consumption is rationally determined taking into account at least the consumption of municipal services for a specific level of service during a specific period in the area of supply of the municipality or its authorised agent;

**“household customer”** means a customer that occupies a dwelling, structure or property primarily for residential purposes;

**“household”** means a traditional family unit consisting of a maximum of eight persons (being a combination of four persons over the age of eighteen and four persons eighteen years and younger);

**“Illegal connection”** means a connection to any system through which services are provided that is not authorised or approved by the municipality or its authorised agent;

**“indigent customer”** means a household customer qualifying and registered with the municipality as an indigent in accordance with this Policy;

**“Municipality”** means –

- (a) the Umvoti Local Municipality or its successors-in-title; or
- (b) the municipal manager of the Umvoti Local Council in respect of the performance of any, or exercise of any right, duty, obligation or function in terms of this Policy;

**“Municipal Council”** means the municipal council as referred to in section 157(1) of the Constitution, 1996 (Act No. 108 of 1996);

**“Municipal Manager”** means the person appointed by the municipal council as the municipal manager of the municipality in terms of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended and includes any person –

- (a) acting in such position; and
- (b) to whom the municipal manager has delegated a power, function or duty in respect of such a delegated power, function or duty;

**“municipal services”** means for purposes of this Policy, services provided by the municipality or its authorised agent, including refuse removal, water supply, sanitation, electricity services and rates or any one of the above;

**“occupier”** includes any person in actual occupation of the land or premises without regard to the title under which he occupies, and, in the case of premises sub-divided and let to lodgers or various tenants, shall include the person receiving the rent payable by the lodgers or tenants whether for his own account or as an agent for any person entitled thereto or interested therein;

**“owner”** means:–

- (a) the person in whom from time to time is vested the legal title to premises;
- (b) in case where the person in whom the legal title to premises is vested is insolvent or deceased, or is under any form of legal disability whatsoever, the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, liquidator or other legal representative;
- (c) in any case where the municipality or its authorised agent is unable to determine the

identity of such person, a person who is entitled to the benefit of the use of such premises or a building or buildings thereon;

- (d) in the premises for which a lease agreement of 30 years or longer has been entered into, the lessee thereof;
- (e) in relation to:-
  - (i) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), the developer or the body corporate in respect of the common property; or
  - (ii) a section as defined in the Sectional Titles Act, 1986 (Act No. 95 of 1986), the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed agent of such a person; or
- (f) a person occupying land under a register held by a tribal authority;

**“person”** means any natural person, local government body or like authority, a company or close corporation incorporated under any law, a body of persons whether incorporated or not, a statutory body, public utility body, voluntary association or trust;

**“public notice”** means publication in an appropriate medium that may include one or more of the following:

- (a) publication of a notice, in the official languages determined by the municipal council:-
  - (i) in the local newspaper or newspapers in the area of the municipality; or
  - (ii) in the newspaper or newspapers circulating in the area of the municipality determined by the municipal council as a newspaper of record; or
  - (iii) by means of radio broadcasts covering the area of the municipality; or
  - (iv) displaying a notice at appropriate offices and pay-points of the municipality or its authorised agent or
- (b) communication with customers through public meetings and ward committee meetings;

**“shared consumption”** means the consumption of a customer of a municipal service during a specific period, which consumption is calculated by dividing the total metered consumption of that municipal service within the supply zone within which a customer's premises is situated for the same period by the number of customers within that supply zone, during the same period;

**“subsidised service”** means a municipal service which is provided to a customer as an applicable rate which is less than the cost of actually providing the service including services provided to customers at no cost;

**“supply zone”** means an area, determined by the municipality or its authorised agent, within which all customers are provided with services from the same bulk supply connection; and

**“unauthorised services”** means receipt, use or consumption of any municipal service which is not in terms of an agreement, or authorised or approved by the municipality or its authorised agent.

## **CHAPTER 2**

### **DUTIES AND FUNCTIONS OF COUNCIL, EXECUTIVE COMMITTEE, MUNICIPAL MANAGER, COMMUNITIES, RATEPAYERS AND RESIDENTS AND WARD COUNCILLORS AND POLITICAL PARTIES**

#### **2. DUTIES AND FUNCTIONS OF THE MUNICIPAL COUNCIL**

The duties and functions of the Municipal Council are to:-

- (1) approve a budget consistent with the needs of communities, ratepayers and residents;
- (2) impose rates and taxes and to determine service charges, fees and penalties to finance the budget;
- (3) provide sufficient funds to give access to basic services for the poor;
- (4) provide for bad debt, in line with the payment record of the community, ratepayers and residents, as reflected in the financial statements of the municipality;
- (5) set an improvement target for debt collection, in line with acceptable accounting ratios and the abilities of the Municipal Manager;
- (6) approve a reporting framework for credit control and debt collection;
- (7) consider and approve By-laws to give effect to the Council's policy;
- (8) monitor the performance of the Executive Committee and the Municipal Manager regarding credit control and debt collection;
- (9) revise the budget should Council's targets for credit control and debt collection not be met;
- (10) take disciplinary action against officials who do not execute Council policies and By-laws;
- (11) approve a list of attorneys that will act for Council in all legal matters relating to debt collection;
- (12) delegate the required authorities to monitor and execute the credit control and debt collection policy to the Executive Committee and the Municipal Manager, respectively;
- (13) approve an appropriate staff structure for credit control and debt collection; and
- (14) appoint debt collection agents to assist the Municipal Manager in the execution of his/her duties, if required.

#### **3. DUTIES AND FUNCTIONS OF THE EXECUTIVE COMMITTEE**

The duties and functions of the Executive Committee are to:-

- (1) ensure that the Council's budget, cash flow and targets for the debt collection are met and executed in terms of the policy and relevant By-laws;
- (2) monitor the performance of the Municipal Manager in implementing the policy and By-laws;
- (3) review and evaluate the policy and By-laws in order to improve the efficiency of the Council's credit control and debt collection procedures, mechanisms and processes; and
- (4) report to the Council.

#### **4. DUTIES AND FUNCTIONS OF THE MUNICIPAL MANAGER**

Duties and functions of the Municipal Manager are to:-

- (1) implement good customer care management;
- (2) implement the Council's credit control and debt collection policy;
- (3) install and maintain an appropriate accounting system;
- (4) bill consumers;
- (5) demand payment on due dates;
- (6) raise penalties for defaults;
- (7) appropriate payments received;
- (8) collect outstanding debt;
- (9) implement "Best Practices";
- (10) provide different payment methods;
- (11) determine credit control measures;
- (12) determine work procedures for public relations, arrangements, disconnections of services, summonses, attachments of assets, sales in execution, writing off debts, sundry debtors and legal processes;
- (13) appoint firm/s of attorneys to complete the legal process (i.e. attachment and sale in execution of assets, emolument attachment orders etc.);
- (14) set performance targets for staff;
- (15) appoint staff to execute the Council's policy and By-laws in accordance with the Council's staff policy;
- (16) delegate certain functions to heads of departments;
- (17) determine control procedures; and
- (18) report to the Executive Committee.

#### **5. DUTIES AND FUNCTIONS OF COMMUNITIES, RATE PAYERS AND RESIDENTS**

Duties and functions of communities, rate payers and residents are to:-

- (1) fulfil certain responsibilities, as brought about by the privilege to use and enjoy public facilities and municipal services;
- (2) pay service fees, rates on property and other taxes, levies and duties imposed by the municipality;
- (3) observe the mechanisms and processes of the municipality in exercising their rights;
- (4) allow municipal officials reasonable access to their property to execute municipal functions;
- (5) comply with the By-laws and other legislation of the municipality; and
- (6) refrain from tampering with municipal services and property.

## **6. DUTIES AND FUNCTIONS OF WARD COUNCILLORS AND POLITICAL PARTIES**

The duties and functions of ward councillors and political parties are to:–

- (1) hold regular ward meetings;
- (2) adhere to and convey the Council's policies to residents and rate payers; and
- (3) adhere to Council's Code of Conduct for Councillors.

### **CHAPTER 3**

## **PROVISION OF MUNICIPAL SERVICES TO CUSTOMERS OTHER THAN INDIGENT CUSTOMERS**

### **PART 1: APPLICATION FOR MUNICIPAL SERVICES**

## **7. APPLICATION FOR SERVICES**

- (1) A customer who qualifies as an indigent customer must apply for services as set out in Chapter 4 below.
- (2) No person shall be entitled to access to municipal services unless application has been made to, and approved by the municipality or its authorised agent on the prescribed form attached as Annexure "A" to these By-laws.
- (3) If, at the commencement of this Policy or at any other time, municipal services are provided and received and no written agreement exists in respect of such services, it shall be deemed that:–
  - (a) an agreement in terms of subsection (7) exists; and
  - (b) the level of services provided to that customer are the level of services elected,
 until such time as the customer enters into an agreement in terms of subsection (2).
- (4) The municipality or its authorised agent must on application for the provision of municipal services inform the applicant of the then available levels of services and then applicable tariffs and/or charges associated with each level of service.
- (5) The municipality or its authorised agent is only obliged to provide a specific level of service requested if the service is currently being provided and if the municipality or authorised agent has the resources and capacity to provide such level of service.
- (6) A customer may at any time apply to alter the level of services elected in terms of the agreement entered into, provided that such requested level of service is available and that any costs and expenditure associated with altering the level of services is paid by the customer.
- (7) An application for services submitted by a customer and approved by the municipality or its authorised agent shall constitute an agreement between the municipality or its authorised agent and the customer, and such agreement shall take effect on the date referred to or stipulated in such agreement.
- (8) In completing an application form for municipal services the municipality or its

authorised agent will ensure that the document and the process of interaction with the owner, customer or any other person making such an application are understood by that owner, customer or other person and advise him or her of the option to register as an indigent customer.

- (9) In the case of illiterate or similarly disadvantaged persons, the municipality or its authorised agent must take reasonable steps to ensure that the person is aware of and understands the contents of the application form and shall assist him or her in completing such form.
- (10) Municipal services rendered to a customer are subject to the provisions of this Policy, any applicable By-laws and the conditions contained in the agreement.
- (11) If the municipality or its authorised agent:-
- (a) refuses an application for the provision of municipal services or a specific service or level of service;
  - (b) is unable to render such municipal services or a specific service or level of service on the date requested for such provision to commence; or
  - (c) is unable to render the municipal services or a specific service or level of service,

the municipality or its authorised agent must, within a reasonable time, inform the customer of such refusal and/or inability, the reason therefor and, if applicable, when the municipality or its authorised agent will be able to provide such municipal services or a specific service or level of service.

## **7. SPECIAL AGREEMENTS FOR MUNICIPAL SERVICES**

The municipality or its authorised agent may enter into a special agreement for the provision of municipal services with an applicant:-

- (a) within the area of supply, if the services applied for necessitated the imposition of conditions not contained in the prescribed form or this Policy;
- (b) receiving subsidised services; and
- (c) if the premises to receive such service is situated outside the area of supply, provided that the municipality having jurisdiction over the premises has no objection to such special agreement. The obligation is on the customer to advise the municipality having jurisdiction of such special agreement.

## **8. CHANGE IN PURPOSE FOR WHICH MUNICIPAL SERVICES ARE USED**

Where the purpose or extent to which any municipal service used is changed, the onus and obligation is on the customer to advise the municipality or its authorised agent of such change and to enter into a new agreement with the municipality or its authorised agent.

**PART 2: APPLICABLE CHARGES****10. APPLICABLE CHARGES FOR MUNICIPAL SERVICES**

- (1) All applicable charges payable in respect of municipal services, including but not limited to the payment of connection charges, fixed charges or any additional charges or interest will be set by the municipal council in accordance with -
  - (a) its rates and tariff policy;
  - (b) its credit control and debt collection policy;
  - (c) any By-laws in respect thereof; and
  - (d) any regulations in terms of national or provincial legislation.
- (2) Applicable charges may differ between different categories of customers, users of services, types and levels of services, quantities of services, infrastructure requirement and geographic areas.
- (3) Services will be terminated due to non-payment on the terms and conditions as stipulated in the credit control and debt collection policy.
- (4) Deferment for payment of service accounts may be granted to customers in terms of council's delegated powers and conditions approved in its credit control and debt collection policy.
- (5) The municipality may consolidate any separate account of persons who are liable for payment to the municipality and may credit all payments received from such a person to any service and order of performance as determined by council from time to time in its credit control and debt collection policy.

**11. AVAILABILITY CHARGES FOR MUNICIPAL SERVICES**

The municipal council, in addition to the tariffs or charges prescribed for municipal services actually provided, may levy a monthly fixed charge, annual fixed charge or once-off fixed charge where municipal services are available, whether or not such services are consumed or not.

**12. SUBSIDISED SERVICES**

- (1) The municipal council may, from time to time, and in accordance with national policy, but subject to principles of sustainability and affordability, by public notice, implement subsidies for a basic level of municipal service.
- (2) The municipal council may, in implementing subsidies, differentiate between types of household customers, types and levels of services, quantities of services, geographical areas and socio-economic areas.
- (3) Public notice in terms of subsection (1) must contain at least the following details applicable to a specific subsidy:
  - (a) The household customers who will benefit from the subsidy.
  - (b) The type, level and quantity of municipal service that will be subsidised.
  - (c) The area within which the subsidy will apply.
  - (d) The rate (indicating the level of subsidy).
  - (e) The method of implementing the subsidy.
  - (f) Any special terms and conditions which will apply to the subsidy.

- (4) If a household customer's consumption or use of municipal services is -
  - (a) less than the subsidised service, the unused portion may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion; and
  - (b) in excess of the subsidised service, the customer will be obliged to pay for such excess consumption at the applicable rate.
- (5) A subsidy implemented in terms of subsection (1) may at any time, be withdrawn or altered in the sole discretion of the municipal council, after -
  - (a) service of notice as contemplated in section 115 of the Act on the person affected by the council's intention to consider such withdrawal or alteration; and
  - (b) consideration by the Council of any comments or request received from the person affected.
- (6) Commercial customers may qualify for subsidised services in terms of Council's policy.
- (7) Subsidised services shall be funded from the portion of revenue raised nationally which is allocated to the municipality and if such funding is insufficient the services may be funded from revenue raised through rates, fees and charges in respect of municipal services.
- (8)

### **13. AUTHORITY TO RECOVER ADDITIONAL COSTS AND FEES**

- (1) The municipality or its authorised agent has the authority to, notwithstanding the provisions of any other sections contained in this Policy, recover any additional costs incurred in respect of implementing this Policy against the account of the customer, including but not limited to:-
  - (a) all legal costs, including attorney and client costs incurred in the recovery of amounts in arrears against the arrears account of the customer; and/or
  - (b) the costs incurred relating to any action taken in demanding payment from the customer or reminding the customer, by means of telephone, fax, e-mail, letter or otherwise.

## **PART 3: PAYMENTS**

### **14. PAYMENT OF DEPOSIT**

- (1) The municipal council may, from time to time, determine different deposits for different categories of customers, users of services, debtors, services and service standards, provided that the deposit will not be more than twice the monetary value of a six (6) months' average consumption of the premises for which an application is made with a minimum as determined by the Council from time to time.
- (2) A customer must on application for the provision of municipal services and before the municipality or its authorised agent will provide such services, pay a deposit, if the municipal council has determined a deposit.
- (3) The municipality or its authorised agent may annually review a deposit paid in terms

of subsection (2) and in accordance with such review require that an additional amount be deposited by the customer where the deposit is less than the most recent deposit determined by the municipal council.

- (4) If a customer is in arrears, the municipality or its authorised agent may require that the customer:-
  - (a) pay a deposit if that customer was not previously required to pay a deposit, if the municipal council has determined a deposit; and
  - (b) pay an additional deposit where the deposit paid by that customer is less than the most recent deposit determined by the municipal council.
- (5) Subject to subsection (7), the deposit shall not be regarded as being in payment of an account.
- (6) No interest shall be payable by the municipality or its authorised agent on any deposit held.
- (7) The deposit, if any, is refundable to the customer on termination of the agreement subject thereto that all monies owed to the Council have been paid. A deposit shall be forfeited to the municipality if it has not been claimed by the customer within 12 (twelve) months of termination of the agreement.
- (8) A bank guarantee may be issued as payment of a deposit.

#### **15. METHODS FOR DETERMINING AMOUNTS DUE AND PAYABLE**

- (1) The municipality or its authorised agent must in respect of municipal services that can be metered, endeavour to, within available financial and human resources, meter all customer connections and/or read all metered customer connections, on a regular basis, subject to subsection (2).
- (2) If a service is not measured, a municipality or its authorised agent may, notwithstanding subsection (1), determine the amount due and payable by a customer, for municipal services supplied to him, her or it, by calculating:-
  - (a) the shared consumption; or if not possible
  - (b) the estimated consumption.
- (3) If a service is metered, but it cannot be read due to financial and human resource constraints or circumstances out of the control of the municipality or its authorised agent, and the customer is charged for an average consumption the account following the reading of the metered consumption must articulate the difference between the actual consumption and the average consumption, and the resulting credit or debit adjustment.
- (4) Where in the opinion of the municipality or its authorised agent it is not reasonably possible or cost-effective to read all metered customer connections within a determined area, the municipal council may, on the recommendation of the municipality or its authorised agent, determine a basic tariff (flat rate) to be paid by all the customers within that area, irrespective of actual consumption.
- (5) The municipality or its authorised agent must inform customers of the method for determining amounts due and payable in respect of municipal services provided which will apply in respect of their consumption or supply zones.

#### **16. PAYMENT FOR MUNICIPAL SERVICES PROVIDED**

- (1) A customer shall be responsible for payment of all municipal services consumed by him/her or it from the commencement date of the agreement until his/her or its

account has been settled in full and the municipality or its authorised agent must recover all applicable charges due to the municipality.

- (2) If a customer uses municipal services for a use other than which it is provided by the municipality or its authorised agent in terms of an agreement and as a consequence is charged at a lower than the applicable charge the municipality or its authorised agent may make an adjustment of the amount charged and recover the balance from the customer.
- (3) If amendments to the applicable charge become operative on a date between measurements for the purpose of rendering an account in respect of the applicable charges and the date of payment:-
  - (a) it shall be deemed that the same quantity of municipal services was provided in each period of twenty-four hours during the interval between the measurements; and
  - (b) any fixed charge shall be calculated on a pro rata basis in accordance with the charge that applied immediately before such amendment and such amended applicable charge.
- (4) Before any building plans are approved by the municipality, all outstanding debt owed on the relevant property, or owed by the applicant, must have been settled in full or a payment agreement has been entered into with the municipality.
- (5) Any individual or entity wishing to do business with the municipality in terms of the municipality's Supply Chain Management Regulations, and who are owing money to the municipality, may not be awarded the tender until the outstanding debt has been paid.

#### **17. FULL AND FINAL SETTLEMENT OF AN ACCOUNT**

- (1) Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in final settlement of such an account.
- (2) Subsection (1) shall prevail notwithstanding the fact that such lesser payment was tendered and/or accepted in full and final settlement, unless the municipal manager or the manager of the municipality's authorised agent made such acceptance in writing in terms of delegated powers of authority.

#### **18. RESPONSIBILITY FOR AMOUNTS DUE AND PAYABLE**

Notwithstanding the provisions of any other section of this Policy, the owner of premises shall be liable for the payment of any amounts due and payable to the municipality or its authorised representative in respect of preceding years, where the owner is not the customer and the municipality or its authorised agent after taking reasonable measures to recover any amounts due and payable by the customer from the latter, could not recover such amounts.

#### **19. DISHONOURED PAYMENTS**

Where any payment made to the municipality or its authorised agent by negotiable instrument is later dishonoured by the bank, the municipality or its authorised agent:-

- (1) may recover the bank charges and fees incurred relating to dishonoured negotiable instruments against the account of the customer; and
- (2) shall regard such an event as default on payment.

**20. INCENTIVE SCHEMES**

The municipal council may institute incentive schemes to encourage payment and to reward customers that pay accounts on a regular and timeous basis.

**21. PAY-POINTS AND APPROVED AGENTS**

- (1) A customer must pay his/her or its account at pay-points, specified by the municipality or its authorised agent from time to time, or at approved agents of the municipality or its authorised agent.
- (2) The municipality or its authorised agent must inform a customer of the location of specified pay-points and approved agents for payment of accounts.

**PART 4: ACCOUNTS****22. ACCOUNTS**

- (1) Accounts will be rendered monthly to customers, either by electronic or other means at the address last recorded with the municipality or its authorised agent. The customer may receive more than one account for different municipal services if they are accounted for separately, the onus rests on the consumer to inform the municipality or its authorised agent of any change of address.
- (2) Failure to receive or accept an account does not relieve a customer of the obligation to pay any amount due and payable.
- (3) The municipality or its authorised agent must, if administratively possible, issue a duplicate account to a customer on request upon payment of a fee as prescribed in the Councils tariff of charges.
- (4) Accounts must be paid not later than the last date for payment specified in such account, which date will be at least on the Friday closest to the 12<sup>th</sup> day of the month.
- (5) Accounts will reflect:-
  - (a) at least:-
    - (i) the services rendered;
    - (ii) the consumption of metered services or average, shared or estimated consumption;
    - (iii) the period stipulated in the account;
    - (iv) the applicable charges;
    - (v) any subsidies;
    - (vi) the amount due (excluding value added tax);
    - (vii) value added tax;
    - (viii) the adjustment, if any, to metered consumption which has been previously estimated;
    - (ix) the arrears, if any;
    - (x) the interest payable on arrears, if any;
    - (xi) the final date of payment;
    - (xii) the methods, places and approved agents where payment may be made;
  - (c) and state that:-
    - (i) the customer may conclude an agreement with the municipality or its authorised agent for payment of the arrears amount in instalments, at the municipality or its authorised agent's offices before the final date for payment if a customer is unable to pay the full amount due and

- payable;
- (ii) if no such agreement is entered into, the municipality or its authorised agent will limit the services after sending a final demand notice to the customer;
- (iii) legal action may be instituted against any customer for recovery of any amount 90 days in arrears;
- (iv) the account may be handed over to a debt collector for collection; and
- (v) proof of registration as an indigent customer, in terms of the municipality or its authorised agent's indigent policy, must be handed in at the office of the municipality or its authorised agent before the final date for payment.

### **23. CONSOLIDATED DEBT**

- (1) If one account is rendered for more than one municipal service provided, the amount due and payable by a customer constitutes a consolidated debt, and any payment made by a customer of an amount less than the total amount due, will be allocated at the discretion of the municipality between service debt.
- (2) If an account is rendered for only one municipal service provided, any payment made by a customer of an amount less than the total amount due will be allocated at the discretion of the municipality.
- (4) A customer may not elect how an account is to be settled if it is not settled in full or if there are arrears
- (5) .

## **PART 5: QUERIES, COMPLAINTS AND APPEALS**

### **24. QUERIES OR COMPLAINTS IN RESPECT OF ACCOUNT**

- (1) A customer may lodge a query or complaint in respect of an accuracy of an amount due and payable in respect of a specific municipal service as reflected on the account rendered.
- (2) A query or complaint must be lodged with the municipality or its authorised agent before the due date for payment of the account.
- (3) A query or complaint must be accompanied by the payment of the average of the last three month's accounts where history of the account is available or an estimated amount provided by the municipality before payment due date until the matter is resolved.
- (4) The municipality or its authorised agent will register the query or complaint and provide the customer with a reference number.
- (5) The municipality or its authorised agent:-
  - (a) shall investigate or cause the query or complaint to be investigated; and
  - (b) must inform the customer, in writing, of its finding within one month after the query or complaint was registered or as soon as possible thereafter.

- (6) Failure to make such agreed interim payment or payments will render the customer liable for disconnection.

**25. APPEALS AGAINST FINDING OF MUNICIPALITY OR ITS AUTHORISED AGENT IN RESPECT OF QUERIES OR COMPLAINTS**

- (1) A customer may appeal in writing against a finding of the municipality or its authorised agent in terms of section 24.
- (2) An appeal and request in terms of subsection (1) must be made in writing and lodged with the municipality within 21 days after the customer became aware of the finding referred to in section 24 and must:-
- (a) set out the reason for the appeal; and
  - (b) be accompanied by any security determined for the testing of a measuring device, if applicable.

**PART 6: ARREARS**

**26. INTEREST**

- (1) Interest will be levied on arrears at the prevailing official prime interest rate.
- (2) The cost associated with the limitation or disconnection of municipal services shall be for the cost of the customer and shall be included in the account following the re-connection.

**27. ACCOUNTS 90 DAYS IN ARREARS**

- (1) Where an account rendered to a customer remains outstanding for more than 90 (ninety) days the municipality or its authorised agent may:-
- (a) institute legal action against a customer for the recovery of the arrears; and
  - (b) hand the customer's account over to a debt collector or an attorney for collection.
- (2) A customer will be liable for any administration fees, cost incurred in taking action for the recovery of arrears and penalties, including the payment of a higher deposit, as may be determined by the municipal council from time to time.

**PART 7: AGREEMENT FOR THE PAYMENT OF ARREARS IN INSTALMENTS****28. AGREEMENTS**

- (1) The following agreement for the payment of arrears in instalments may be entered into:
  - (a) An acknowledgement of debt.
  - (b) A consent to judgement.
  - (c) An emolument attachment order.
- (2) The customer shall acknowledge that interest will be charged at the prescribed rate.
- (3) Customers with electricity arrears must convert at the Council's discretion, in terms of Council's policy, to the conversion to a prepayment meter if and when implementable, the cost of which, and the arrears total, will be paid off either by:-
  - (a) Adding to the arrears account and repaying it over the agreed period; or
  - (b) Adding it as a surcharge to the pre paid electricity cost, and repaying it with each purchase of electricity until the debt is settled.
- (4) The municipality or its authorised agent must require a customer to pay at least its current account on entering into an agreement for the payment of arrears in instalments.
- (5) The municipality reserves the right to raise the security deposit requirement of debtors who seek agreements.

**29. COPY OF AGREEMENT TO CUSTOMER**

A copy of the agreement shall be made available to the customer.

**30. FAILURE TO HONOUR AGREEMENTS**

- (1) If a customer fails to comply with an agreement for the payment of arrears in instalments, the total of all outstanding amounts, including the arrears, any interest thereon, administration fees, costs incurred in taking relevant action, and penalties, including payment of a higher deposit, will be immediately due and payable, without further notice or correspondence and the municipality or its authorised agent may:-
  - (a) disconnect the electricity service provided to the customer;
  - (b) institute legal action for the recovery of the arrears; and
  - (c) hand the customer's account over to a debt collector or an attorney for collection.

**31. RECONNECTION OF SERVICES**

- (1) An agreement for payment of the arrear amount in instalments, entered into after the electricity services was discontinued and/or the water services was limited or disconnected, will not result in the services being restored until:-
  - (a) the arrears, any interest thereon, administration fees, cost incurred in taking relevant action and penalties, including payment of a higher deposit, are paid in full; or

- (b) in addition to payments referred to in subsection (1) the customer shall pay the standard re-connection fee as determined by the municipality from time to time, prior to the re-connection of municipal services by the municipality or its authorised agent.

#### **CHAPTER 4**

#### **PROVISION OF MUNICIPAL SERVICES TO INDIGENT CUSTOMERS**

#### **32. QUALIFICATION FOR REGISTRATION AS INDIGENT CUSTOMER**

All households where the combined gross income of all the members of the household over the age of 18 years old, or households headed by child headed households, is less than the amount to be determined by the Council, qualify for registration as indigent customers.

#### **33. APPLICATION FOR REGISTRATION**

- (1) A household who qualifies as an indigent customer must complete the application form entitled "Application for Registration as Indigent Customer" attached as Annexure "B" to this Policy.
- (2) Any application in terms of subsection (1) must be accompanied by:-
  - (a) documentary proof of income, such as a letter from the customers employer, a salary advice, a pension card, unemployment fund card; or
  - (b) an affidavit declaring unemployment or income; and
  - (c) the customer's latest municipal account in his/her possession; and
  - (d) a certified copy of the customer's identity document; and
  - (e) the names and identity numbers of all occupants over the age of 18 years who are resident at the property.
- (2) A customer applying for registration as an indigent customer shall be required to declare that all information provided in the application form and other documentation and information provided in connection with the application is true and correct.
- (3) The municipality or its authorised agent shall counter-sign the application form and certify that the consequences and conditions of such an application for the customer were explained to the customer and that the customer indicated that the content of the declaration was understood.

#### **34. APPROVAL OF APPLICATION**

- (1) The municipality or its authorised agent may send authorised representatives to premises or households applying for registration as indigent customers to conduct an on site audit of information provided prior to approval of an application
- (2) Alternatively the municipality or its authorised agent may make use of Information Technology to access information regarding the indigent applicant.
- (3) An application shall be approved for a period of 12 months only. Subsidies will be forfeited if the applicant fails to submit proof of income or to re-apply for the subsidy.

**35. CONDITIONS**

The municipality or its authorised agent may upon approval of an application or any time thereafter:-

- (1) install a pre-payment electricity meter for the indigent customer where electricity is provided by the municipality or its authorised agents when implemented; and
- (2) limit the water supply services of an indigent customer to a basic supply of not less than 6 (six) kiloliters per month.

**36. APPLICATION EVERY 12 MONTHS**

- (1) An indigent customer must re-apply for indigent support every 12 months, failing which the assistance will cease automatically.
- (2) The provisions of sections 37 and 38 shall apply to any application in terms of subsection (1).
- (3) The municipality or its authorised agent cannot guarantee a renewal for indigent support.

**37. SUBSIDISED SERVICES FOR INDIGENT CUSTOMERS**

- (1) The municipal council may annually, as part of its budgetary process, determine the municipal services and levels thereof which will be subsidised in respect of indigent customers in accordance with national policy, but subject to principles of sustainability and affordability.
- (2) The municipal council will in the determination of municipal services which will be subsidised for indigent customers give preference to subsidising at least the following services:
  - (a) Refuse removal services to a maximum of one removal per household per week.
  - (b) Cemetery sites as per Council resolution.
  - (c) Electricity in terms of National Standards.
  - (d) Rates in terms of the Rates Policy
- (3) The municipality must, when making a determination in terms of subsection (1) give public notice of such determination.
- (4) Public notice in terms of subsection (3) must contain at least the following:-
  - (a) The level or quantity of municipal service which will be subsidised.
  - (b) The level of subsidy.
  - (c) The method of calculating the subsidy.
  - (d) Any special terms and conditions which will apply to the subsidy, not provided for in these By-laws.
- (5) Any other municipal services rendered by the municipality or municipal services consumed in excess of the levels or quantities determined in subsection (1) shall be charged for and the indigent customer shall be liable for the payment of such charges levied on the excess consumption.
- (6) The provisions of Chapter 3 shall *mutatis mutandis* apply to the amounts due and payable in terms of subsection (5).

**38. FUNDING OF SUBSIDISED SERVICES**

- (1) The subsidised services referred to in section 37 shall be funded from the portion of revenue raised nationally which is allocated to the municipality and if such funding is insufficient the services may be funded from revenue raised through rates, fees and charges in respect of municipal services.
- (2) The subsidy amount to be funded from revenue raised nationally which is allocated to the municipality shall be calculated by dividing the amount allocated by the estimated number of customers which may qualify for registration as indigent customers.

**39. EXISTING ARREARS OF INDIGENT CUSTOMERS ON APPROVAL OF APPLICATION**

- (1) Arrears accumulated in respect of the municipal accounts of customers prior to registration as indigent customers may either be -
  - (a) written off as a once-off assistance in terms of Council policy;
  - (b) applied as a surcharge to prepaid electricity coupons; or
  - (c) be attempted to be recovered through legal proceedings and/or extended arrangements.

**40. AUDITS**

- (1) The municipality may undertake regular random audits carried out by the municipality or its authorised agent to -
  - (a) verify the information provided by indigent customers;
  - (b) record any changes in the circumstances of indigent customers; and
  - (c) make recommendations on the de-registration of the indigent customer.

**41. DE-REGISTRATION**

- (1) Any customer who provides or provided false information in the application form and/or any other documentation and information in connection with the application shall automatically, without notice, be de-registered as an indigent customer from the date on which the municipality or its authorised agent become aware that such information is false.
- (2) An indigent customer must immediately request de-registration by the municipality or its authorised agent if his/her circumstances has changed to the extent that he/she no longer meet the qualifications set out in section 32.
- (3) An indigent customer shall automatically be de-registered if an application in accordance with section 33 is not made or if such application is not approved.
- (4) An indigent customer shall automatically be de-registered if an audit or verification concludes that the financial circumstances of the indigent customer has changed to the extent that he/she no longer meet the qualifications set out in section 32.
- (5) An indigent customer may at any time request de-registration.

## **CHAPTER 5**

### **BUSINESSES WHO BID TO THE MUNICIPALITY**

#### **42. PROCUREMENT POLICY AND BID CONDITIONS**

The procurement policy and bid conditions may provide that:-

- (1) when inviting bids for the provision of services or delivery of goods, potential contractors may submit bids subject to a condition that consideration and evaluation thereof will necessitate the bidder obtain from the municipality a certificate stating that all relevant municipal accounts owing by the bidder or its directors, owners or partners have been paid or that suitable arrangements (which include the right to set off in the event of non-compliance) have been made for payment of any arrears;
- (2) a municipal account to mean any municipal service charge, tax or other fees fines and penalties, due in terms of a contract or approved tariff or rate, which is outstanding after the due date normally appearing on the consolidated account or overdue in terms of the contract or any other due date that has passed; and
- (3) bid conditions contain a condition allowing the municipality to deduct moneys owing to the municipality from contract payments in terms of a reasonable arrangement with the debtor.

## **CHAPTER 6**

### **UNAUTHORISED SERVICES**

#### **43. UNAUTHORISED SERVICES**

- (1) No person may gain access to municipal services unless it is in terms of an agreement entered into with the municipality or its authorised agent for the rendering of those services.
- (2) The municipality or its authorised agent may, irrespective of any other action it may take against such person in terms of this Policy by written notice order a person who is using an unauthorised service to -
  - (a) apply for such services in terms of Chapter 3 part 1;
  - (b) undertake such work as may be necessary to ensure that the customer installation through which access was gained complies with the provisions of this Policy or any relevant By-laws at his cost.

#### **44. INTERFERENCE WITH INFRASTRUCTURE FOR THE PROVISION OF MUNICIPAL SERVICES**

- (1) No person other than the municipality or its authorised agent shall manage, operate or maintain infrastructure through which municipal services are provided.
- (2) No person other than the municipality or its authorised agent shall effect a connection to infrastructure through which municipal services are provided.

**45. OBSTRUCTION OF ACCESS TO INFRASTRUCTURE FOR THE PROVISION OF MUNICIPAL SERVICES**

- (1) No person shall prevent or restrict physical access to infrastructure through which municipal services are provided.
- (2) If a person contravenes subsection (1), the municipality or its authorised agent may -
  - (a) by written notice require such person to restore access at his/her own expense within a specified period; or
  - (b) if it is of the opinion that the situation is a matter of urgency, without prior notice restore access and recover the cost from such person.

**46. ILLEGAL RECONNECTION**

- (1) A person who unlawfully and intentionally or negligently reconnects to services or unlawfully and intentionally or negligently interferes with infrastructure through which municipal services are provided, after such customers access to municipal services have been limited or disconnected, shall immediately be disconnected.
- (2) A person who reconnects to municipal services in the circumstances referred to in subsection (1) shall be liable for the cost associated with any consumption, notwithstanding any other actions which may be taken against such a person.

**47. IMMEDIATE DISCONNECTION**

- (1) The provision of municipal services may immediately be disconnected if any person -
  - (a) unlawfully and intentionally or negligently interferes with infrastructure through which the municipality or its authorised agent provides municipal services;
  - (b) fails to provide information or provides false information reasonably requested by the municipality or its authorised agent.
  - (c) Council will not be held responsible for any damage to property or goods damaged as a result of the disconnection.

**CHAPTER 7****OFFENCES****48. OFFENCES**

- (1) Any person who:-
  - (a) fails to give access required by the municipality or its authorised agent in terms of this Policy;
  - (b) assists any person in providing false or fraudulent information or assists in wilfully concealing information;
  - (c) uses, tampers or interferes with municipal equipment, service supply equipment, reticulation network or consumption of services rendered;
  - (d) fails or refuses to give the municipality or its authorised agent such information as may reasonably be required for the purpose of exercising the powers or functions under this Policy or gives such false or misleading information to the municipality or its authorised agent, knowing it to be false or misleading;

- (e) contravenes or fails to comply with a provision of this Policy;
- (f) fails to comply with the terms of a notice served upon him/her in terms of this Policy and the relevant By-laws,

shall be guilty of an offence and liable upon conviction to a period not exceeding six months imprisonment or community service or a fine not exceeding R6 000-00 (Six Thousand Rand), or a combination of the aforementioned.

## **CHAPTER 8**

### **DOCUMENTATION**

#### **49. SIGNING OF NOTICES AND DOCUMENTS**

A notice or document issued by the municipality in terms of this Policy and signed by a staff member of the municipality or its authorised agent shall be deemed to be duly issued and must on its mere production be accepted by a court of law as evidence of that fact.

#### **50. NOTICES AND DOCUMENTS**

- (1) A notice or document issued by the municipality or its authorised agent in terms of this Policy shall be deemed to be duly authorised if an authorised agent signs it.
- (2) Any notice or other document that is served on an owner, customer or any other person in terms of this Policy is regarded as having been served:-
  - (a) if it has been delivered to that person personally;
  - (b) when it has been left at that person's place of residence, business or employment in the Republic with a person over the age of sixteen years;
  - (c) when it has been posted by registered or certified mail to that person's last known address or business address in the Republic and an acknowledgement of posting thereof from the postal service is obtained;
  - (d) if that person's address in the Republic is known, when it has been served on the person's agent or representative in the Republic in the manner provided in subsection (a) - (c); or
  - (e) if that person's address and agent or representative in the Republic is known, when it has been in a conspicuous place on the property or premises, if any, to which it relates.
- (3) When any notice or other document must be authorised or served on the owner, occupier or holder of any property it is sufficient if that person is described in the notice or other document as the owner, occupier or holder of the property or right in question, and is not necessarily the name of the person.
- (4) In the case where compliance with a notice is required within a specified number of working days, such period shall be deemed to commence on the date of delivery or sending of such notice.

**51. AUTHENTICATION OF DOCUMENTS**

- (1) Every order, notice or other document requiring authentication by the municipality shall be sufficiently authenticated, if signed by the municipal manager or by a duly authorised officer of the municipality or the authorised agent of the municipality; such authority being conferred by resolution of the municipality, written agreement or by a By-law.

**52. PRIMA FACIE EVIDENCE**

- (1) In legal proceedings by or on behalf of the municipality or its authorised agent, a certificate reflecting the amount due and payable to the municipality or its authorised agent, under the hand of the municipal manager, or suitably qualified municipal staff member authorised by the municipal manager or the manager of the municipality's authorised agent, shall upon mere production thereof be accepted by any court of law as prima facie evidence of the indebtedness.

**CHAPTER 9****GENERAL PROVISIONS****53. POWER OF ENTRY AND INSPECTION**

- (1) The municipality or its authorised agent may enter and inspect any premises for any purpose connected with the implementation or enforcement of this Policy, at all reasonable times, after having given reasonable written notice to the occupier of the premises of the intention to do so.

**54. EXEMPTION**

- (1) The municipality may, in writing, exempt an owner, customer, any other person or category of owner, customers, rate payers, users of services from complying with a provision of this Policy, subject to any conditions it may impose, if it is of the opinion that application or operation of that provision would be unreasonable, provided that the municipality or its authorised agent shall not grant exemption from any section of this Policy that may result in –
- (a) the wastage or excessive consumption of municipal services;
  - (b) the evasion or avoidance of water restrictions;
  - (c) significant negative effects on public health, safety or the environment;

- (d) the non-payment for services;
  - (e) the Act or any regulations made in terms thereof, is not complied with.
- (2) The municipality at any time after given written notice of at least 30 days, withdraws any exemption given in terms of subsection (1).

## **55. AVAILABILITY OF BY-LAWS AND POLICY**

- (1) A copy of this Policy shall be included in the municipality's Municipal Code as required in terms of legislation.
- (2) The municipality or its authorised agent shall take reasonable steps to inform customers of the contents of the credit control and debt collection By-laws.
- (3) A copy of this Policy shall be available for inspection at the municipal offices or at the offices of its authorised agent at all reasonable times.
- (4) A copy of this Policy may be obtained against payment of a fee as prescribed in the Council's tariff of charges from the municipality or its authorised agent.

No. 78

26 July 2013

## ANNEXURE "A"

**UMVOTI LOCAL MUNICIPALITY  
APPLICATION FOR MUNICIPAL SERVICES**

Section ACDE – Domestic	Section BCDE - Closed Corporation	Section BCDE – Business
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<b>Section A:</b>	<b>Domestic</b>
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1. Consumer Surname	
2. Full Names	
3. ID Number	
4. Occupation	
5. Employer/Business	
6. Marital Status	

Single	Married		In community of Property	
			Out community of Property	
			Customary marriage	

7. Full Names Spouse	
8. Occupation	
9. Employer Spouse	
10. Name and Address of Member of Family or Friend	
11.	
12.	
13. Home Telephone Number	
14. Work Telephone Number	
15. Cell Number	



8. Number of people residing on property
9. Occupiers of stand other than family (rental, backyard, lodges, spaza shops, taxis etc.)

<b>Section D:</b>	<b>Service Particulars</b>
-------------------	----------------------------

1. Address where service is required	
2. Lot/stand Number	
3. Date when service is required	
4. Services Applied for	

<b>Water</b>
--------------

<i>Communal Standpipe</i>	<i>Yard Tap</i>	<i>House Connection</i>

<b>Sewerage</b>	
VIP	Water Borne

<b>Electricity</b>	
Prepaid	Credit meter

<b>Refuse Removal – Mandatory Service</b>
---

5. Type of supply:
--------------------

Domestic	Commercial	Industrial	Educational	State	Agricultural	

6. State whether any type of business activities to be conducted from residential address:

Yes	No
-----	----

7. Method of Payment -----

Consumer/applicant -----

Date.....

<b>Section E:</b>	<b>Declaration</b>
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1. I hereby declare that I/we agree to the conditions of supply of the mentioned services as laid down in the By-laws of the municipality and any other laws that are applicable.
2. I/we hereby accept the street address/stand number specified above as my own *domicilium citandi et executandi* address where I will accept any notice to be served.
3. I/we hereby tender a deposit/bank guarantee of R\_\_\_\_\_ and that this amount or any part thereof may be used to redeem unpaid accounts or any parts thereof and that the surplus if any be paid back to me/us.
4. I/we indemnify the municipality against any losses which may occur due to claims instituted against the municipality due to power failure, or justifiable discontinuation of services.
5. I/we accept the responsibility for the payment of attorney and client costs should it be necessary for Council to hand over outstanding amounts on the accounts as well as giving permission to be listed with the Credit Bureau.
6. I/we received a duplicate of this application form.
7. I/we hereby certify the information provided to be correct.
8. I/we declare that all payments due and payable by me in pursuance of this application shall promptly be paid by me on the due date.

Signature-----

Date-----

Name:-----

Status:-----

Co-signed Owner .....

Name .....

Date .....

No. 79

26 July 2013

## ANNEXURE "B"

**UMVOTI LOCAL MUNICIPALITY  
APPLICATION FOR REGISTRATION AS INDIGENT CUSTOMER**

**Note: An application for municipal services must be completed or updated on submission of this application.**

<b>Particulars of Applicant</b>	
Surname	Initials
ID Number	
Marital Status	
If married - in/out of community of property/customary marriage	
Occupation	
Tel. Number	
Cell Number	
<b>Address of Applicant</b>	
Physical Address	Postal Address
<b>Number of properties owned by applicant and all members of the household</b>	
<b>Details of properties</b>	
<b>Property 1</b>	Physical address
Name of owner	
Name of bondholder	
Account number	
Deed Registration Number	
Type of structure	
<b>Property 2</b>	Physical address
Name of owner	
Name of bondholder	
Account number	
Deed Registration number	
Type of structure	

<b>Is property/properties or a portion thereof leased to a third person? (Yes/No)</b>			
<b>If leased, rent received</b>			
<b>Number of all members in household</b>			
<b>Combined gross income of all members of the household per month</b>			
<b>Details of all members of the household over the age of 18 years resident at the property</b>			
<b>1. Surname</b>		<b>2. Surname</b>	
<b>Full names</b>		<b>Full name</b>	
<b>ID Number</b>		<b>ID Number</b>	
<b>Employed (Yes/No)</b>		<b>Employed (Yes/No)</b>	
<b>Salary including benefits, if relevant</b>		<b>Salary including benefits, if relevant</b>	
<b>3. Surname</b>		<b>4. Surname</b>	
<b>Full name</b>		<b>Full name</b>	
<b>ID Number</b>		<b>ID Number</b>	
<b>Employed (Yes/No)</b>		<b>Employed (Yes/No)</b>	
<b>Salary including benefits, if relevant</b>		<b>Salary including benefits, if relevant</b>	
<b>5. Surname</b>		<b>6. Surname</b>	
<b>Full name</b>		<b>Full name</b>	
<b>ID Number</b>		<b>ID Number</b>	
<b>Employed (Yes/No)</b>		<b>Employed (Yes/No)</b>	
<b>Salary including benefits, if relevant</b>		<b>Salary including benefits, if relevant</b>	
<b>Details of the other income received by household: i.e. old age pension, disability pension, welfare, etc.</b>			
<b>1. Type of income</b>		<b>2. Type of income</b>	
<b>Institution</b>		<b>Institution</b>	
<b>Amount</b>		<b>Amount</b>	
<b>Reference number</b>		<b>Reference number</b>	

<b>3. Type of income</b>		<b>4. Type of income</b>	
--------------------------	--	--------------------------	--

<b>Institution</b>		<b>Institution</b>	
<b>Amount</b>		<b>Amount</b>	
<b>Reference number</b>		<b>Reference number</b>	
<b>5. Type of income</b>		<b>6. Type of income</b>	
<b>Institution</b>		<b>Institution</b>	
<b>Amount</b>		<b>Amount</b>	
<b>Reference number</b>		<b>Reference number</b>	
<b>Details of monthly expenses of household:</b>			
<b>1. Groceries</b>		<b>2. School fees</b>	
<b>3. Clothes</b>		<b>4. Rent</b>	
<b>5.</b>		<b>6.</b>	
<b>7.</b>		<b>8.</b>	
<b>9.</b>		<b>10.</b>	
<b>Details of current debts of the household: (including insurance policies and credit purchases)</b>			
<b>1. Institution</b>		<b>2. Institution</b>	
<b>Account number</b>		<b>Account number</b>	
<b>Amount owing</b>		<b>Amount owing</b>	
<b>3. Institution</b>		<b>4. Institution</b>	
<b>Account number</b>		<b>Account number</b>	
<b>Amount owing</b>		<b>Amount owing</b>	
<b>5. Institution</b>		<b>6. Institution</b>	
<b>Account number</b>		<b>Account number</b>	
<b>Amount owing</b>		<b>Amount owing</b>	

**Details in respect of legal or other actions taken against me in respect of current expenses/debt of the household: (i.e. Administration orders, sequestration, other court orders, listed with a credit Agency, etc.)**

<b>1. Institution</b>		<b>2. Institution</b>	
<b>Type of action</b>		<b>Type of action</b>	
<b>Case number</b>		<b>Case number</b>	
<b>Amount owing</b>		<b>Amount owing</b>	
<b>3. Institution</b>		<b>4. Institution</b>	
<b>Type of action</b>		<b>Type of action</b>	
<b>Case number</b>		<b>Case number</b>	
<b>Amount owing</b>		<b>Amount owing</b>	
<b>5. Institution</b>		<b>6. Institution</b>	
<b>Type of action</b>		<b>Type of action</b>	
<b>Case number</b>		<b>Case number</b>	
<b>Amount owing</b>		<b>Amount owing</b>	

The following documents must be attached:-

1. **Documentary proof of income (such as a letter from the customer's employer, a salary advice, a pension card, unemployment fund card, etc.); or**
2. **An affidavit declaring unemployment or income; and**
3. **Latest municipal account in the possession of customer; and**
4. **A certified copy of the applicant's identity document.**

A. I hereby:-

1. Apply for registration as an indigent customer for a period of one year;
2. Accept the conditions applicable to this application as set out the municipality's policy, By-laws and the Conditions of Supply of any service provider of the municipality;
3. Declare that I was informed that the document referred to in 2 above is for inspection at the offices of the municipality during office hours;
4. Declare that this application form and the implications thereof were explained me;
5. Declare that all payments due and payable by me in pursuance of this application shall promptly be paid by me on the due date; and
6. Declare that the information provided in this application form is true and correct.

B. I further declare and accept that the following specific conditions shall apply to this application:-

1. The municipality or its authorised agent may send authorised representatives to premises or households applying for registration as indigent customers to conduct an on-site audit of information provided prior to approval of an application or any time thereafter.
2. An application shall be approved for a period of 12 months only.
3. The municipality or its authorised agent may on approval of an application or any time thereafter:-

- 3.1 install a pre-payment electricity meter for the indigent customer where electricity is provided by the municipality or its authorised agent; and
  - 3.2 limit the water supply services of an indigent customer to a basic supply of not less than 6 kiloliters per month.
4. An indigent customer must annually re-apply for registration as an indigent customer, failing which the assistance will cease automatically.
  5. The municipality or its authorised agent gives no guarantee of renewal.
  6. The municipality council may annually as part of its budgetary process determine the municipal services and levels thereof that will be subsidised in respect of indigent customers in accordance with national policy, but subject to principles of sustainability and affordability.
  7. Any other municipal services rendered by the municipality or its authorised agent or municipal services consumed in excess of the quantities specified in 6 above shall be charged for and the indigent customer shall be liable for the payment of such charges levied on the excess consumption. Normal credit control procedures shall apply in respect of such excess consumption.
  8. Any customer who provides or provided false information in the application form And /or any other documentation and information in connection with the application:–
    - 8.1. Shall automatically, without notice, be de-registered as an indigent customer from the date on which the municipality or its authorised agent became aware that such information is false; and
    - 8.2. Shall be held liable for the payment of all services received.
  9. An indigent customer must immediately request de-registration by the municipality or its authorised agent if his or her circumstances has changed to the extent that he or she no longer meets the qualifications set out in the Policy.
  10. An indigent customer shall automatically be de-registered if an annual application is not made or if such application is not approved.
  11. An indigent customer shall automatically be de-registered if an audit or verification concludes that the financial circumstances of the indigent customer has changed to the extent that he or she no longer meet the qualifications set out in the Policy.
  12. An indigent customer may at any time request de-registration.

\_\_\_\_\_  
**Applicant**

\_\_\_\_\_  
**Municipality/Authorised Agent**

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Date**

<b>CERTIFICATION BY MUNICIPALITY</b>
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The consequences of the above declaration made by the applicant were explained to him/her and he/she indicated that the contents of the application were understood.

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**Municipality/Authorised Agent**


---

**Date**

<b>FOR OFFICE USE ONLY</b>
Account Number
Date of receipt of application
First Verification
Date
Site Visit (Yes/No)
Name of verifier
Indicate information not verified
Recommendation
<b>APPLICATION APPROVED/ NOT APPROVED</b>
Second verification
Date
Site Visit (Yes/No)
Name of verifier
Designation of verifier

No. 80

26 July 2013

The Council of Umvoti Local Municipality has in terms of Section 156 of the Constitution, 1996 (Act No. 108 of 1996), read in conjunction with Sections 11 and 98 of the Local Government : Municipal Systems Act, 2000, (Act No. 32 of 2000), made the following By-laws:

**UMVOTI LOCAL MUNICIPALITY**

**CREDIT MANAGEMENT BY-LAWS**

**1. DEFINITIONS**

Unless the context otherwise indicates -

“**bank guarantee**” means an unconditional undertaking by a financial institution whereby it guarantees a specified maximum amount to be paid if the principal debtor (“the customer” fails to pay;

“**calculated amounts**” means the amounts calculated by the Chief Financial Officer to be due to the Council by a consumer in respect of the supply of the applicable municipal services for any period during which the exact quantity of the supply cannot be determined accurately for any reason, and shall be based on the average consumption figures, if available, for the service rendered to the customer over the three months immediately prior to any such period commencing, or failing the availability of such data, on the average consumption figures applicable to one or more properties of similar size and nature in the area in which the customer resides or carries on business;

“**Chief Financial Officer**” means the Head of the Department responsible for the Council’s financial affairs, and any person duly authorised by him or her to act on his behalf in the stated capacity;

“**consolidated account**” means one combined account for all municipal services, surcharges, property tax and basic charges payable;

“**consumer**” means a customer;

“**conventional electricity meter**” means an electricity meter, which are used to determine the supply of electricity and which are read on a monthly or other fixed interval basis;

“**Council**” means the Umvoti Local Municipality and its successors in law, and includes the Council of that municipality or its Executive Committee or any other body acting by virtue of any power delegated to it in terms of legislation, as well as any officer to whom the Executive Committee had delegated any powers and duties with regard to these By-laws;

“**customer**” means any person to whom a service is or has been rendered by the Council and

“**customer services**” has a corresponding meaning;

“**due date**” means, in the absence of any express agreement in relation thereto between the Council and the customer, the date stipulated on the account and determined by the Council from time to time as the last date on which the account can be paid;

“**existing customers**” means customers who have already entered into an agreement for the supply of municipal services;

“**financial year**” means 1 July in any year to 30 June of the following year;

“**meter audits**” means an investigation to verify the correctness of the consumption and supply of electricity;

“**Municipal Manager**” means the person appointed as Municipal Manager in terms of the Local

Government : Municipal Systems Act, 2000, or any person acting in that capacity;

“**normal office hours**” means the hours when the Chief Financial Officer offices are open to the public from Mondays to Fridays, excluding public holidays;

“**property tax**” means rates and/or taxes charged according to the value of a property which may be based on a tariff on the value of the land or improvements or both, and has the same meaning as assessment rates;

“**rebate**” means a discount on any property tax or service charge determined by the Council from time to time;

“**reconnection fee**” means the fee charged to reconnection of electricity supply when the supply has been disconnected due to non-payment, which fee will be determined periodically by the Council and will form part of the municipal tariff of charges;

“**required amount**” means the total calculated amount of the electricity consumed during any period of tampering, as well as the tampering fee;

“**service accounts**” means accounts in respect of electricity consumption;

“**service agreement**” means an agreement for the consumption of electricity ;

“**tampering fee**” means a fee charged for the illegal disconnection, adjustment or bypassing of a consumption meter or the siphoning of a supply of electricity to an unmetered destination, which fee will be determined annually during the budget process and will form part of the tariff of service charges;

“**terminated account**” means the final account for services after the customer has left the premises, whether or not the customer has given notice to terminate the supply of service;

“**voluntary garnishee order/emoluments order**” means a court order for the deduction of an amount of money from the salary or other income of a customer.

- (2) Words applying to any individual shall include persons, companies and corporations, and the masculine gender shall include females as well as males, and the singular number shall include the plural and *vice versa*.

## **2. SERVICE AGREEMENT**

- (1) Before being provided with electricity and/or other customer services, every customer must enter into a service agreement with the Council in which, *inter alia*, the customer agrees that the electricity payment system may be used for the collection of arrears in respect of all service charges.
- (2) Where a consumer has failed to enter into a service agreement with the Council, electricity will be disconnected, as the circumstances may require, until such time as a service agreement has been entered into and the applicable deposits have been paid. Such consumer is liable for calculated amounts.
- (3) Any application for the provision of services, must include a provision whereby the owner of the property, authorises the connection.
- (4) A pre-paid electricity agreement must also be signed by a consumer before being provided with a pre-paid electricity token; Provided that 50% of the amount purchased by a consumer who is in arrears with an account issued by the Council, will be allocated to the arrears account.

## **3. ACCOUNTS**

- (1) The Council will bill the inhabitants of, and property owners and property occupiers within the

area for property tax and municipal services supplied to them by the Council at regular intervals or as prescribed by law.

- (2) The owner/tenant of a property is liable for refuse and other charges.
- (3) The Council will post, electronically submit or hand-deliver the consolidated accounts to the respective customers at the address notified by each customer in writing, to reach the customers before the due date printed on the account. Any change of address becomes effective only when notification of the change is received and acknowledged by the Council in writing.
- (4) The customer must pay, in full, the amount rendered on or before the due date. Failure to comply with this section will result in debt collection action being instituted against the customer, and interest at the rate determined from time to time by the Council or in the absence of any determination, as prescribed by law, will be charged from the date upon which the amount of the account was due for payment.
- (5) The Council has no obligation to inform the owner of a property that the tenant has absconded.
- (6) All outstanding accounts linked to the property must be settled by a customer before a new connection can be made.

#### **4. DEPOSITS**

- (1) Deposits are to be determined by the Council during the budget process, which determination is based on twice the average monthly account over 6 (six) months with a minimum deposit as determined by Council from time to time, for the service to that property, either as factually determined or as a calculated amount.
- (2) In determining the deposit described in section 4(1), the Chief Financial Officer will differentiate between areas to give cognisance to differences in service standards and usage.
- (3) The Chief Financial Officer may reassess customer deposits for customers three months after the initial deposit date, and may, as a result of this reassessment require an additional deposit from any such customer.
- (4) The Chief Financial Officer must review all deposits annually or when a customer's service is disconnected or blocked as a result of non-payment. The outcome of this review will be communicated to the customer in the event of any variation in the deposit arrangements being required. Should the deposit mentioned in section 4(2) or 4(3) be found to be inadequate, the customer will be allowed to make arrangements with the Chief Financial Officer for the payment of the additional amount.
- (5) Consumer deposits are to be paid for all separately metered services.
- (6) Consumer deposits are to be paid in respect of electricity services only.
- (7) Deposits must be paid in cash, an electronic fund transfer or by cheque issued by a recognized banking institution in terms of the Municipal Finance Management Act. The Council will accept a bank guarantee, acceptable to the municipality's banker, in cases where the deposit exceeds R2 000-00. Such Bank Guarantee has to be hand-delivered during normal office hours to the Chief Financial Officer's offices at the Civic Centre.
- (8) All deposits have to be paid at least 2 (two) days prior to occupation of the property. Failure to comply with this By-law may cause a delay with the connection of services, and the Council will not be liable for any loss or prejudice that may result.

- (9) No service deposit is required if a pre-payment meter is installed for the particular service.

## **5. DISCONNECTION FOR NON-PAYMENT**

### **(1) General**

The reconnection fee will also be charged in cases of customers who receive other municipal services of any kind and who fall into arrears with their payment in respect of those services and whose electricity supply, whether prepayment or conventional, has been disconnected.

### **(2) Notices to customers**

- (a) The Council will, at its discretion, issue final request notices or other reminders to customers whose accounts are in arrears, prior to disconnection.
- (b) The Council will issue a reminder, disconnection notice and then a final demand for payment of arrears in respect of all debtor accounts reflecting an amount outstanding for more than 90 days, after which the account will be referred for debt collection, in terms of section 10, in addition to the disconnection of the supply of services.

### **(3) Electricity**

- (a) The Council will disconnect services to customers with conventional electricity meters in respect of which service accounts are in arrears after the due date. Should such customers wish to have their electricity reconnected, they will be charged the applicable reconnection fee and all other related charges. The service will not be reinstated before the account is paid in full with all legal costs or satisfactory arrangements in terms of section 7 have been made with the Chief Financial Officer.
- (b) The Council must disconnect the electricity supply before 13:00 on the day of disconnection. Reconnections will commence as soon as practically possible, but will only be done during normal working hours. No disconnections must be made on a Friday or day before a Public Holiday. This will not be applicable where tampering has taken place.
- (c) In the event of mass disconnections, the Council is not obliged to effect same-day reconnections.
- (d) The Council will not be obliged to sell electricity to customers with pre-paid meters unless the customer's municipal account for other services and property tax, if any, is paid in full or satisfactory arrangements in terms of section 7 have been made with the Chief Financial Officer, and have been honoured.
- (e) All disconnected electricity meters must be sealed and clearly marked when the supply is disconnected for non-payment, in order to avoid disconnected meters being reported as faulty.
- (f) The Council shall be entitled to disconnect, at the earliest opportunity, the electricity supply of customers who have offered a cheque as payment for municipal services if any such cheque is returned or dishonoured by the Financial Institution on which it is drawn for any reason. The customer's account will be endorsed accordingly, be charged for the costs of a dishonored cheque, and no further cheque payments will be accepted. The customer must be informed of this.
- (g) Standby electricians, meter readers and contractors are not permitted to restore any service to customers without written authority from the Council's Credit Control Section.
- (h) Customers whose supply of services has been unlawfully reconnected will be regarded

as having tampered with the meter or the supply, and the provisions of section 6 shall apply.

## **6. TAMPERING**

- (1) Where an electrical supply is found to have been tampered with or the meter bypassed, the Council may, subject to these By-laws and other applicable legislation, isolate or disconnect the relevant supply, and charge the customer the applicable tampering fee, calculated amounts due as well as a reconnection fee in instances where the supply had been isolated and a connection fee in instances where the supply has been removed.
- (2) In instances where there is evidence of a discrepancy between the electricity consumption and purchase history of a specific property, transgressors will be dealt with in the following manner:
  - (a) Subject to paragraph (b), supply will be isolated at point of supply in instances of a first offence and removed in instances of subsequent offences.
  - (b) A written notification will be given to the customer, informing him or her of isolation or removal, as well as the fees due in respect of the tampering, reconnection/connection and the calculated amounts due.
  - (c) The Council will only re-instate services after the amounts referred to in paragraph (b) have been paid.
- (3) In instances where physical tampering with the electricity supply is detected, transgressors will be dealt with in the following manner:
  - (a) Supply will be isolated immediately in instances of a first offence and removed in instances of a second or subsequent offence.
  - (b) A written notification or electronic message will be given to the customer, informing him or her of the isolation or removal, as well as the fees due in respect of the tampering, reconnection/connection and the calculated amounts due.
  - (c) The Council will only re-instate services after the amounts referred to in paragraph (b) have been paid in full.
- (4) In addition to the provisions of this By-law, the Council may enforce any other rights or exercise any power conferred upon it by the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) and any amendments thereto, the Electricity Act, 1987 (Act No. 41 of 1987) and any amendments thereto, the Council's Electricity By-laws and any other applicable legislation.

## **7. AGREEMENTS AND ARRANGEMENTS WITH CONSUMERS IN ARREAR**

- (1) The Chief Financial Officer or his delegate is authorised to enter into agreements with consumers and/or their guarantors in arrear with their accounts and to grant such persons extensions of time for payment.
- (2) The Chief Financial Officer may determine, on the merits of each case, the initial amount to be paid as part of such agreement, as well as the number of instalments over which the arrear amount must be paid off and the term over which payment is to be made. Such term may not exceed 4 (four) months.
- (3) The Chief Financial Officer may, in exceptional cases and with the approval of the Municipal Manager, extend the period of repayment referred to in section 7(2).
- (4) In instances where the Chief Financial Officer is satisfied, at the time of making arrangements

and after investigation, that a *bona fide* customer cannot reasonably afford the payment of services, such customer's details will be recorded and further legal steps against such customer will either be deferred or waived, as the Chief Financial Officer may decide.

## **8. ACKNOWLEDGEMENT OF DEBT**

- (1) Only debtors with positive proof of identity or an authorised agent with a power of attorney will be allowed to complete an acknowledgement of debt agreement.
- (2) An acknowledgement of debt agreement must contain all arrangements for paying off arrear accounts. One copy of the document will be handed to the customer and another filed at the Council's Management Section.
- (3) A customer who has already been summonsed by the Council's attorneys may apply for credit facilities. However, all legal costs already incurred will be for his or her account and an initial payment of at least half of the total resultant outstanding debt will be required. The customer must also sign an acknowledgement of debt, which will include legal fees due. The customer must deal with the Council's attorneys in this regard.
- (4) Failure to honour the acknowledgement of debt agreement will lead to immediate blocking, disconnection or restriction of services without further notice, and the resumption of legal action.
- (5) In all instances where the customer in arrears is employed, the Council may obtain a voluntary garnishee order or emolument attachment order.

## **9. INTEREST ON ARREARS**

- (1) Interest will be charged on service arrears at an interest rate as determined by the Council, or in the absence of any such determination, as prescribed by law.
- (2) Interest will be charged on arrear property tax as prescribed in the applicable legislation.

## **10. HAND-OVERS**

- (1) The Council will issue a final demand in respect of all customer accounts reflecting an amount outstanding for longer than 90 days after the date of termination or restriction of the services concerned, it will be handed over for collection by external debt collection specialists.
- (2) The Chief Financial Officer must investigate ways and means of assisting customers before attaching movable or immovable property in terms of legislative requirements and Council's policy.

## **11. CUSTOMER MAY NOT SELECTIVELY NOMINATE PAYMENT**

A customer is not entitled to allocate any payment made to any portion of the total debt due. The allocation of payments will be made by the Chief Financial Officer.

## **12. AUTHORITY TO APPOINT DEBT COLLECTION SPECIALISTS**

The appointment of debt collection specialists must be done in terms of the Supply Chain Management Policy.

## **13. APPLICABILITY**

The Council may by notice in the *Provincial Gazette*, determine that the provision of these By-laws do not apply in certain areas within its area of jurisdiction from a date specified in the notice.

## **14. REPEAL OF EXISTING CREDIT MANAGEMENT BY-LAWS**

The By-laws relating to Credit Management for the municipality of Umvoti, are to become effective on promulgation hereof.

No. 81

26 July 2013

The Council of Umvoti Local Municipality has in terms of Section 156 of the Constitution, Act No 108 of 1996, read in conjunction with Sections 11 and 98 of the Local Government: Municipal Systems Act, No 32 of 2000, made the following By-laws.

### UMVOTI LOCAL MUNICIPALITY

#### CREDIT CONTROL AND DEBT COLLECTION BY-LAWS

#### WHEREAS

- (1) Section 156(2) of the Constitution authorizes a municipality to make and administer by-laws;
- (2) Section 96 of the Systems Act provides that a municipality must collect all money due to it and adopt, maintain and implement a credit control and debt collection policy for this purpose; and
- (3) Section 98 of the Systems Act determines that a municipality must promulgate by-laws to give effect to the implementation and enforcement of its credit control and debt collection policy;

**NOW THEREFORE** be it enacted by the municipality as follows:

#### 1. INTERPRETATION

In this by-law, unless the context otherwise indicates-

“Constitution” means the Constitution of the Republic of South Africa, Act No 107 of 1996;

“Municipality” means the Umvoti Municipality;

“Systems Act” means the Local Government: Municipal Systems Act, No 32 of 2000;

“Credit Control and Debt Collection Policy” means a credit control and debt collection policy adopted by the municipality in terms of the Systems Act and this By-law.

#### 2. Adoption and implementation of the Credit Control and Debt Collection Policy

The municipality shall adopt and implement such credit control and debt collection policy to give effect to it.

#### 3. Content of the Credit Control and Debt Collection Policy

The municipality’s credit control and debt collection policy shall be compiled in accordance with the provisions of the Systems Act, Local Government: Municipal Property Rates Act, No 6 of 2004, Local Government: Municipal Finance Management Act, No 56 of 2003, and any other applicable legislation.

#### 4. Enforcement of Credit Control and Debt Collection Policy

The municipality’s credit control and debt collection policy shall be enforced through this By-law and the Systems Act.

#### 5. Offences and Penalties

Any person who-

- (a) Contravenes or fails to comply with a provision of this By-law or with a provision of the Policy shall be guilty of an offence and liable upon conviction to the penalties as set out in the Policy.

#### 6. Short Title

This By-law shall be called the Credit Control and Debt Collection By-laws of the Umvoti Municipality.

#### 7. Operative Date

This By-law shall take effect on the date of publication in the Provincial Gazette.

**No. 82****26 July 2013**

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**RATES BYLAWS****UMVOTI MUNICIPALITY**

Adopted by the \_\_\_\_\_ Council

on the \_\_\_\_\_ day of \_\_\_\_\_ 2009

**DRAFT RATES BYLAWS**

Be it enacted by the Council of the Umvoti Municipality, in terms of section 156 (2) of the Constitution, 1996, read with section 11 (3)(m) of the Local Government Municipal Systems Act, 2000 (Act No 32 of 2000), and section 6 of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004), as follows:-

**ARRANGEMENT OF SECTIONS****SECTION**

1. Definitions
2. Rates Policy
3. Principles

4. Categories of Property
5. Categories of Owners of Property
6. Properties used for Multiple Purposes
7. Differential Rating
8. Exemptions
9. Rebates
10. Reductions
11. Process for Granting Exemptions, Rebates and Reductions
12. Short Title
13. Commencement
1. **DEFINITIONS**

In these bylaws, unless the context indicates otherwise:-

**“Agricultural purpose”**, in relation to the use of a property, excludes the use of a property for the purpose of eco-tourism 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 4 of these bylaws;  
and
- (b) in relation to owners of properties, means a category of owners determined in terms of section 5 of these bylaws;

**“Exemption”**, in relation to the payment of a rate, means an exemption granted by municipality in terms of section 8 of these bylaws;

**“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;

**“Multi purposes”**, in relation to a property, means the use of a property for more than one purpose;

**“Municipal council” or “council”** means a municipal council referred to in section 18 of the Local Government Municipal Structures Act, 1998 (Act 117 of 1998);

**“Municipality”** means the Umvoti Municipality established in terms of section 155(6) of the Constitution, 1996, and established by and under section 11 and 12 of the Local Government: Municipal Structures Act 1998 (Act 117 of 1998), read with sections 3, 4 and 5 of the KwaZulu-Natal Determination of Types of Municipality Act, 2000 (Act No. 7 of 2000).

**“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;
- (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 that 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 usufructuary 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 servitude;
- (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or
- (viii) 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;
- (ix) the holder of a right of extension in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986).

**“Permitted use”**, in relation to a property, means the limited purpose for which the property may be used in terms of:-

- (a) any restrictions imposed by:-
  - (i) any condition of title;
  - (ii) a provision of a town planning or land use scheme; or
  - (iii) any legislation applicable to any specific property or properties; or
- (b) any alleviation of any such restrictions

**“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;

**"Protected area"** means an area that is or has to be listed in the register referred to in section 10 of the National Environmental: Protected Areas Act 2003 (Act No. 57 of 2003).

**"Public benefits organization"** means an organization conducting specified public benefit activities as defined in the Act and registered in terms of the Income Tax Act, 1962 (Act No. 58 of 1962) for a tax reduction of those activities.

**"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 Local Government: Municipal Systems Act, 2000 (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 communications system serving the public; ‘
- (g) runways or aprons 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) to (i);

**"Rate"** means a municipal rate on property envisaged in section 229 (1) (a) of the Constitution, 1996;

**“rateable property”** means 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 on the amount of the rate payable on the property granted in terms of section 9 of these bylaws;

**“reduction”**, in relation to a rate payable on a property, means the lowering in terms of section 15 of the amount for which the property was valued and the rating of the property at that lower amount granted in terms of section 10 of these bylaws;

**“residential property”** means a property included in a valuation roll in terms of section 48 (2) (b) as residential;

**“Sectional title scheme”** means a scheme defined in section 1 of the Sectional Titles Act;

**“Sectional title unit”** means a unit defined in section 1 of the Sectional Titles Act;

**“Specified public benefit activity”** means an activity listed in item 1 (welfare humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act, 1962 (Act No. 58 of 1962).

**“the Communal Land Rights Act”** means the Communal Land Rights Act 2004, (Act No. 11 of 2004);

**“the Communal Property Associations Act”** means the Communal Property Associations Act, 1996 (Act No. 28 of 1996).

**“the Provision of Land and Assistance”** means the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993)

**“the Restitution of Land Rights Act”** means the Restitution Rights Act, 1994 (Act No. 22 of 1994);

**“ the Sectional Titles Act”** means the Sectional Titles Act, 1986 (Act No. 95 of 1986);

**“the Act”** means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);

**“vacant land”** means land on which no immovable improvements have been erected.

## 2. **RATES POLICY**

- 2.1. The municipal council must, by resolution, adopt a policy on the levying of rates on rateable property in the municipality.
- 2.2. The rates policy adopted by the municipal council in terms of section 2(1) must comply with the provisions of the Act.
- 2.3. The municipality must levy rates in accordance with the Act, these bylaws, and the rates policy adopted by the municipal council in terms of Section 2(1).

## 3. **PRINCIPLES**

- 3.1. The rates policy adopted by the municipal council must comply with the following principles:-
  - 3.1.1. All ratepayers within a specified category, as determined by the municipal council, from time to time, must be treated equitable;
  - 3.1.2. A fair and transparent system of exemptions, rebates and reductions must be adopted and implemented by the municipality;
  - 3.1.3. Relief measures in respect of the payment of rates may not be granted on an individual basis, other than by way of exemption, rebate or reduction;
  - 3.1.4. Exemptions, rebates and reductions must be used to alleviate the rates burden as provided for in the Rates Policy.
  - 3.1.5. Provision must be made for the promotion of local, social and economic development.

#### **4. CATEGORIES OF PROPERTY**

- 4.1. For the purpose of levying different rates on different categories of property, the municipal council must:-
- 4.1.1. Determine different categories of property; or
  - 4.1.2. Provide criteria for determining different categories of property
- 4.2. The different categories of property determined by the municipal council in terms of section 4.1.1; or the criteria for determining different categories of property provided by the municipal council in terms of section 4.1.2 must be specified in the rates policy adopted by the municipal council in terms of section 2(1).
- 4.3. The different categories of property determined by the municipal council in terms of section 4.1.1 are those as determined by Council and included in the Rates Policy.
- 4.4. The criteria for determining different categories of property provided by the municipal council in terms of section 4.1.2 may include, but are not limited to those set out below:-
- 4.4.1. the actual use of the property
  - 4.4.2. the permitted use of the property
  - 4.4.3. the size of the property
  - 4.4.4. The geographical area in which the property is located; or
  - 4.4.5. State property held in Trust

#### **5. CATEGORIES OF OWNERS OF PROPERTIES**

- 5.1. For the purpose of levying rates on different categories of property or for the purpose of granting exemptions, rebates or reductions, the municipal council must:-
- 5.1.1. determine different categories of owners of property; or
  - 5.1.2. provide criteria for determining different categories of owners of property
- 5.2. The different categories of owners of property by the municipal council or the criteria for determining different categories of owners of property provided by the municipal council must be specified in the rates policy adopted by the municipal council in terms of section 2(1).
- 5.3. The different categories of owners of property determined by the municipal council in terms of section 5.1.1 may include, but are not limited, to the following categories:-

- 5.3.1. indigent owners;
- 5.3.2. owners dependent on pensions or social grants for their livelihood;
- 5.3.3. unemployed;
- 5.3.4. owners of property situated within an area affected by a disaster or any other serious adverse social or economic condition;
- 5.3.5. owners of residential property whose market value is below the amount indicated in the municipality's rates policy before the first R15 000 mandatory exclusion;
- 5.3.6. any other category of owner of property determined by the council by resolution.

5.4. The criteria for determining different categories of owners of property provided by the municipal council in terms of section 5.1.2 may include, but are not limited to the following criteria:-

- 5.4.1. income of the owner of the property;
- 5.4.2. source of income of the owner of the property;
- 5.4.3. occupation of the owner of the property;
- 5.4.4. market value of the property;
- 5.4.5. use of the property;
- 5.4.6. disasters or any other serious adverse social or economic condition; or
- 5.4.7. any other criteria as may be determined by the council by resolution

## 6. **PROPERTIES USED FOR MULTIPLE PURPOSES**

- 6.1. The municipal council must determine the criteria in terms of which multiple-use properties must be rated.
- 6.2. The criteria determined by the municipal council in terms of section 6(1) must be specified in the rates policy adopted by the municipal council in terms of section 2 (1).
- 6.3. The criteria determined by the municipal council in terms of section 6(1) must be either:-
  - 6.3.1. the permitted use of the property;
  - 6.3.2. the dominant use of the property; or
  - 6.3.3. the multiple use of the property
- 6.4. If the criterion set out in section 6.2 is adopted by the municipal council, the rates levied on the multiple-use properties must be determined:-
  - 6.4.1. by apportioning the market value of such a property to the different purposes for which the property is used; and

6.4.2. by applying the relevant cent amount in the rand to the corresponding apportioned market value.

## 7. DIFFERENTIAL RATING

7.1. Subject to and in conformity with the Act, the municipality may levy different rates on different categories of property.

## 8. EXEMPTIONS

8.1. Subject to and in conformity with the Act, the municipality may exempt:-

8.1.1. the owners of any specific category or property; and/or

8.1.2. any specific category of owners of property from the payment of rates.

8.2. If the municipality chooses to exempt the owners of any specific category of property or any specific category of owners of property from the payment of rates, it must exercise this power in accordance with the criteria determined by the municipal council in terms of section 3(3)(b)(ii) of the Act.

8.3. The criteria determined by the municipal council in terms of section 3(3)(b)(ii) of the Act must be specified in the rates policy adopted by the municipal council in terms of section 2(1).

## 9. REBATES

9.1. Subject to and in conformity with the Act, the municipality may grant a rebate:-

(i) To the owners of any specific category of property; and/or

(ii) To any specific category of owners of property, on the rate payable in respect of their properties

9.2. If the municipality chooses to grant a rebate to a specific category of property or to a specific category of owners of property from the payment of rates, it must exercise this power in accordance with the criteria determined by the municipal council in terms of section 3(3)(b)(iii) of the Act,

9.3. The criteria determined by the municipal council in terms of section 3(3)(b)(iii) of the Act must be specified in the rates policy adopted by the municipal council in terms of section 2(1).

**10. REDUCTIONS**

10.1. Subject to and in conformity with the Act, the municipality may grant a reduction:-

- (i) To the owners of any specific category of property; and/or
- (ii) To any specific category of owners of property, in the rate payable in respect of their properties.

10.2. If the municipality chooses to grant a reduction to a specific category of property or to a specific category of owners of property from the payment of rates, it must exercise this power in accordance with the criteria determined by the municipal council in terms of section 3(3)(b)(iii) of the Act.

10.3. The criteria determined by the municipal council in terms of section 3(3)(b)(iii) of the Act must be specified in the rates policy adopted by the municipal council in terms of section 2(1).

**11. PROCESS FOR GRANTING EXEMPTIONS, REBATES and REDUCTIONS**

11.1. Applications for exemptions, rebates and reductions must be made in accordance with the procedures determined by the municipal council.

11.2. The procedures determined by the municipal council in terms of section 11.1 must be specified in the rates policy adopted by the municipal council in terms of section 2(1) or the credit control policy, or as specified by the municipality from time to time.

11.3. The municipality retains the right to refuse an application for an exemption, rebate or reduction if the details supplied in support of such an application are absent, incomplete, incorrect or false.

**12. SHORT TITLE**

These bylaws will be called the Umvoti Municipality Property Rates Bylaws.

**13. COMMENCEMENT**

These Bylaws come into force and effect on the date of publication in the Provincial Gazette.

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