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<p data-bbox="175 688 771 743">COOPERATIVE GOVERNANCE, TRADITIONAL AFFAIRS AND HUMAN SETTLEMENTS NOTICE</p> <p data-bbox="147 835 792 863">Nala 2</p> <p data-bbox="431 1121 513 1148"><u>NOTICE</u></p> <p data-bbox="160 1178 781 1268"><u>PLEASE TAKE NOTE:</u> THAT THE LAST PUBLICATION OF THE PROVINCIAL GAZETTE FOR THE YEAR 2009 WILL BE ON <u>11 DECEMBER 2009.</u></p> <p data-bbox="147 1304 786 1367">THE NEXT PUBLICATION WILL BE ON <u>08 JANUARY</u> <u>2010.</u> 20</p>	

COOPERATIVE GOVERNANCE, TRADITIONAL AFFAIRS AND HUMAN SETTLEMENTS NOTICE

NOTICE is hereby given that in terms of section 13, of the Local Government: Municipal Systems Act, Act 32 of 2000, Nala Local Municipality has passed the by law as set out below:

NALA LOCAL MUNICIPALITY**CREDIT CONTROL AND DEBT COLLECTION BY LAW AND MUNICIPAL PROPERTY RATES BY LAW**

These By-Laws have been adopted by the Municipal Council on 06 November 2009 to give effect to the municipality's credit control and debt collection policy, its implementation and enforcement, are promulgated by the municipality in terms of section 156(2) of the Constitution of the Republic of South Africa, 1996 and in accordance with sections 13(a), 96 and 98 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) and in terms of Section 6 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004).

SCHEDULE**DRAFT CREDIT CONTROL AND DEBT COLLECTION BY-LAWS****PREAMBLE**

To regulate customer care management, credit control and debt collection policies in the Nala municipal area.

BE IT ENACTED by the Nala Local Municipality as follows:-

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Definitions

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

"Arrangement" means a written agreement entered into between the Council and the debtor where specific repayment parameters are agreed to.

"Account" means an account rendered specifying charges for services provided by the municipality, or any authorized and contracted service provider, and/or may not include assessment rates levies;

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

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

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

"Chief Financial Officer" means the official accountable and responsible to the municipal manager for the implementation, enforcement and administration of the customer care management and debt collection policies contained in these by - laws,

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

"Council" means the Municipal Council of Nala Municipality or any duly authorized Committee political office bearer or official of the said Council.

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

"day/days" means calendar days, inclusive of Saturdays, Sundays and public holidays.

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

"Due date" in relation to -

- (a) rates due in respect of any immovable property, means the thirtieth(30) day of September of the financial year for which such rate is made, or any other date determined by council by notice in the Provincial Gazette, and
- (b) in respect of service charges due in respect of any immovable property, means the date for payment indicated on the account.
- (c) should such day fall on a Saturday, Sunday or public holiday the due date shall be the next working day.

"Immovable property" includes -

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

"Indigent debtor" means:

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

"Indigent Support Programme" means a structured programme for the provision of indigent support subsidies to qualifying indigent debtors in terms of the Council's Indigent Support Policy.

"Indigent Support Policy" means the Indigent Support Policy adopted by the Council of the Municipality.

"Interest" Means a charge levied on all arrear monies with the same legal priority as service fees and calculated at a rate determined by Council from time to time;

"Month" means a calendar month.

"Monthly average consumption" means the monthly average consumption in respect of that property calculated on the basis of consumption over the preceding or succeeding twelve months.

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

"Municipal services" means services provided either by the municipality, or by an external agent on behalf of the Municipality in terms of a service delivery agreement.

"Municipality" means the Nala Municipality.

"Municipal Manager" means the Municipal Manager of the Nala Municipality or his or her nominee acting in terms of power delegated to him or her by the said Municipal Manager with the concurrence of the Council,

"Occupier" means the person who controls and resides on or controls and otherwise uses immovable property, provided that -

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

"Owner" in relation to immovable property means -

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

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

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

"Prescribed" means prescribed by this policy and where applicable by Council or the Municipal Manager.

"Person" means a natural and juristic person, including any department of state, statutory bodies or foreign embassies.

"Rates" means any tax, duty or levy imposed on property by the municipality.

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

"Responsible person" means any person other than the registered owner of an immovable property who is legally responsible for the payment of municipal service charges,

"Service charges" means the fees levied by the Municipality in terms of its tariff policy for any municipal services rendered in respect of an immovable property and includes any penalties, interest or surcharges levied or imposed in terms of these by - laws.

"Service delivery agreement" means an agreement between the Municipality and an institution or persons mentioned in section 76(b) of the Local Government: Municipal Systems Act 32 of 2000.

"Sundry debtor accounts" means accounts raised for miscellaneous charges for services provided by the Municipality or charges that was raised against a person as a result of an action by a person and which was raised in terms of Councils policies, bylaws and decisions

"Tariff" means any rate, tax, duty and levy or fee which may be imposed by the municipality for services provided either by itself or in terms of a service delivery agreement.

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

"User" means the owner or occupier of a property in respect of which municipal services are being rendered.

SUPERVISORY AUTHORITY

2. (1) The Council oversees and monitors -

(a) The implementation and enforcement of this by-law of the municipality's credit control and debt collection policy.

(b) The performance of the Municipal Manager in implementing this by - law and the credit control and debt collection policy.

(2) The Council shall at least once a year, cause an review of this by - law and the credit control and debt collection policy to be performed in order to improve the efficiency of the Municipality's credit control and debt collection mechanisms, processes and procedures and to the implementation of this by - law.

(3) The Municipal Manager shall submit a report to council regarding the implementation of these by - laws and credit control and debt collection policy at such intervals as Council may determine.

(4) The Municipal Manager; -

(a) Implements and enforces this by-law and the municipality's credit control and debt collection policy.

(b) Is accountable to the Council for the enforcement of this by - law and shall submit a report to the Council regarding the implementation and enforcement of this by-law and he credit control and debt collection policy at such intervals as may be determined by Council.

(c) Must establish effective administration mechanisms, processes and procedures to collect money that is due and payable to the Municipality.

(d) Where necessary, propose to the Council with the aim of improving the efficiency of the credit control and debt collection mechanisms, processes and procedures,

(e) Establish effective communication between Council and account holders with the aim of keeping account holders abreast of all decisions by Council that may affect account holders.

(f) Establish customer service centres, which are located in such communities as determined by Council.

(g) Convey to account holders information relating to the costs involved in service provision, the reasons for payment of services are utilized, and may where necessary; employ the services of local media to convey such information.

- (5) The Municipal Manager may, in writing, delegate any of the powers entrusted or delegated to him or her in terms of Council's credit control and debt collection by-law to the Chief Financial Officer.
- (6) A delegation in terms of subsection (5):-
 - (a) Is subject to any limitations or conditions that the Municipal manager may impose;
 - (b) May authorize the Chief Financial Officer to, in writing, sub-delegate power to another official of the municipality;
 - (c) Does not divest the Municipal Manager of the responsibility concerning the exercise of the delegated power.
- (7) The Chief Financial Officer shall be responsible to the Municipal Manager for the implementation, enforcement and administration of this policy, and the general exercise of his powers in terms of this by - law,

APPLICATION FOR THE PROVISIONS OF MUNICIPAL SERVICES

3. (1) The applications for the provision of municipal services must be made by the registered owner of an immovable property shall be made by the registered owner of the said immovable property in writing and in accordance with prescribed form.
- (2) Individuals and businesses with lease agreements to lease properties from the municipality and government departments will be allowed to open an account in the name of the lessee of the property.
- (3) The registered owner of an immovable property in respect of which application for the provision of municipal services has been made shall at least ten days prior to the date on which the services are required to be connected, enter into a written agreement with the municipality in accordance with the prescribed form.
- (4) The written agreement referred to in subsection (2) shall, amongst others, makes provision for the following: -
 - (a) An undertaking by the owner that he or she will be liable for collection costs including administration fees, interests, disconnection and reconnection costs, and any other legal costs occasioned by his or her failure to settle accounts by the due date;
 - (b) An acknowledgement by the owner that accounts will become due and payable by the due date notwithstanding the fact that the owner did not receive the account; and
 - (c) That the onus will be on the owner to ensure that he or she is in possession of an account before the due date.
 - (d) An undertaking by the Municipality that it shall do everything in its power to deliver accounts timorously.
- (5) The Municipality may, upon the written request of the registered owner of an immovable property, enter into a written agreement with both the registered owner and occupier of the immovable property in respect of which application for the provision of municipal services has been made. The agreement shall be in accordance with the prescribed form.
- (6) The registered owner of a property in respect of which application has been made for the provision of Municipal services shall, at least ten days prior to taking occupation of the aforesaid property, notify the Chief Financial Officer thereof in writing in accordance with the prescribed form.
- (7) The Chief Financial Officer shall causes a reading of the meters installed at the premises in respect of which application for the provision of municipal services has been taken on the working day preceding the date of occupation.
- (8) The Chief Financial Officer may, from time to time, require all owners or occupiers of immovable properties in respect of which Municipal services are being rendered, to enter into written agreements with the Municipality in accordance wii the form referred to in subsection (2)
- (9) An applicant for the provision of municipal services in respect of immovable property shall be required to pay a prescribed deposit prior to the provision of any municipal services.
- (10) The municipal manager may. In his sole discretion, and upon written notice to the owner of a property and after the conclusion of the agreement referred to in sub-section (2), either increases or decrease the deposit payable.
- (11) The municipal manager may, in his sole discretion, and upon written notice of any intention to increase the minimum deposit payable by the owner or responsible person, and shall, in the aforesaid notice, state full reasons for the increase and allow the owner or responsible person an opportunity to make written representations in this regard.
- (12) An aggrieved owner or responsible person may, within a period of ten days after having been notified of the aforesaid increase, and in the prescribed manner, lodge an appeal against the decision of the Municipal Manager to council.
- (13) The Municipality council shall, within a period of ten (10) days after receipt of the appeal notice, pronounce upon the matter. No further appeal against the decision of the municipality council shall be allowed,
- (14) The Chief Financial Officer may, in his sole discretion, and in respect of premises utilized for business purposes, accept a guarantee in lieu of a deposit.
- (15) On termination of the supply of services, the amount of such deposit, less any payments due to council must be refunded to an account holder.

ACCOUNTS AND BILLING

4. (1) The Municipality shall provide every person who is liable terms of a signed agreement for services charges in respect of Municipal services^ with an account in respect of every property for which that person is liable and all services rendered in respect of those properties.
- (2) Accounts will be rendered on a monthly basis in cycles of approximately thirty days,
- (3) All accounts rendered by the Municipality shall be payable on the due date as indicated on the account

- (4) Any amount which remains due and payable after the due date shall attract interest.
- (5) Payments shall be deemed to be late unless received on before the due date at a Municipal pay point by the close of business.
- (6) Electronic payments or payments made through agents must be received in the Municipal bank account by the close of business on the due date.
- (7) All accounts shall be payable by the due date regardless of the fact that the person responsible for the payment of the account has not received it and the onus shall be on such person to obtain a copy of the account before the due date.

POWER TO RESTRICT OR DISCONNECT SUPPLY OF SERVICES

5. The council may disconnect the supply of electricity; block the purchase of electricity on the prepayment system and/or restrict or disconnect the supply of water whenever a user of any such service:
 - (a) Fails to make full payment on the due date or fails to make an acceptable arrangement for the repayment of any amount due in respect of municipal charges.
 - (b) fails to comply with a condition of supply imposed by the council;
 - (c) tampers with any municipal supply meter or bypasses any metering equipment in order to obtain an un-metered services.
 - (d) commits any act which would in terms of the applicable Electricity and Water By-Laws, entitle the Municipality to discontinue municipal services;
 - (e) causes a situation which in the opinion of the council is dangerous or a contravention of relevant legislation;
 - (f) is placed under provisional sequestration, liquidation or judicial management, or commits an act of insolvency in terms of the Insolvency Act 24 of 1936 or any other applicable law;
 - (g) becomes subject to an order granted in terms of section 74 of the Magistrates Court Act, 1944 (Act 32 of 1944),
 - (h) Council shall, before limiting or discontinuing water services to any premises or consumer, ensure that a fair and equitable procedure is followed. Council shall provide reasonable notice of intention to limit or discontinue water services and grant the affected person an opportunity to make written representations in terms of Section 4 of the Water Services Act, 103 of 1997.
 - (i) The right to restrict, discontinue or terminate a service shall be in respect of any service rendered by council, and shall prevail notwithstanding the fact that payment has been made in respect of any specific service and notwithstanding the fact that the person who entered into an agreement for the supply of services with the Council and the owner are different entities or persons, as the case may be.

METERING OF MUNICIPAL SERVICES

6. (1) Council may introduce various metering equipment and may encourage an account holder to convert to a system which is preferred by Council when Council considers this to be beneficial to its functioning and operations.
- (2) Councils preferred metering system to measure electricity is the prepayment electricity metering system for domestic consumers and for certain business consumers.
- (3) The Chief Financial Officer may, at the written request of an account holder and on the dates requested by the account holder -
 - (a) disconnect the supply of metered services to the account holder's premises; and
 - (b) restore the supply, and the account holder must before the metered services is restored pay the prescribed charge for the disconnection and restoration of his or her supply of metered services,
- (4) The following apply to the reading of credit meters:
 - (a) Unless otherwise prescribed, credit meters are normally read at intervals of approximately one month and the fixed or minimum charges due in terms of the tariff are assessed accordingly and Council is not obliged to effect any adjustments to such charges;
 - (b) if for any reason the credit meter cannot be read, Council may render an estimated account, and estimated consumption shall be adjusted in a subsequent account in accordance with the consumption actually consumed;
 - (c) when an account holder vacates a property and a final reading of the meter is not possible, an estimation of the consumption may be made and the final account rendered accordingly;
 - (d) if a special reading of the meter is desired by a consumer, this may be obtained upon payment of the prescribed fee; and
 - (e) if any calculating, reading or metering error is discovered in respect of any account rendered to a consumer -
 - (i) the error shall be corrected in subsequent accounts;
 - (ii) any such correction shall only apply in respect of accounts for a period of three years preceding the date on which the error in the accounts was discovered,
 - (iii) the correction shall be based on the actual tariffs applicable during the period; and
 - (iv) the application of this section shall not prevent a consumer from claiming overpayment for any longer period where the consumer is able to prove the claim in a court of law.
- (5) The following applies to prepayment metering:
 - (a) No refund of the amount tendered for the purchase of electricity or water credit shall be given at the point of sale after initiation of the process by which the prepayment meter token is produced;
 - (b) copies of previously issued tokens for the transfer of credit to the prepayment meter may be issued at the request of the consumer;
 - (c) when an account holder vacates any premises where a prepayment meter is installed, no refund for the credit remaining in the meter shall be made to the owner by Council;

- (d) Council shall not be liable for the reinstatement of credit in a prepayment meter lost due to tampering with, or the incorrect use or the abuse of, prepayment meters or tokens;
- (e) where an account holder is indebted to Council for any assessment rates, metered services, other municipal charges, levies, fees, fines,
- (f) interest, taxes or any other amount or amounts payable arising from any other liability or obligation, Council may apply all the debt collection actions available on the prepayment electricity system to collect arrear debt; and
- (g) Council may appoint vendors for the sale of credit for prepayment meters and does not guarantee the continued operation of any vendor.

PAYMENT FACILITIES AND METHODS

7. (1) Payments on accounts rendered may be effected at any Municipal office designated for this purpose by Council or such other places as the Chief Financial Officer may from time to time designate.
- (2) The Chief Financial Officer may at his discretion and from time to time, designate certain payment methods which will be acceptable to the Municipality.
- (3) Any payments made in respect of municipal charges may be allocated by the Municipality entirely within its discretion, provided that any part payment on an account shall be allocated firstly to reduce any penalty charges which may have accrued on the account.

ENQUIRIES AND APPEALS

8. (1) An aggrieved person may address a grievance or query regarding charges for Municipal services to the Chief Financial Officer in writing and in accordance with the prescribed form.
- (2) The aggrieved person shall clearly state the basis of his/her dissatisfaction and the desired resolution.
- (3) The lodging of an inquiry shall not relieve the aggrieved person of the responsibility to settle the account, provided that the Chief Financial Officer may, on application in writing and in his sole discretion, direct that interim payments be made pending the finalisation of the inquiry.
- (4) The Chief Financial Officer shall respond to such an inquiry in writing within sixty days from the date of the lodgement of the inquiry,

CREDIT CONTROL AND DEBT COLLECTION POLICY

9. (1) The Council shall have a written policy on credit control and debt collection which shall be termed the Credit Control and Debt Collection Policy and which must provide for:
 - (a) Credit control procedures and mechanisms;
 - (b) Debt collection procedures and mechanisms;
 - (c) Provision for indigent debtors;
 - (d) Interest on arrears;
 - (e) Extensions of time for payment of accounts, including arrangements for payment;
 - (f) Termination of services or the restriction of the provision of services when payments are in arrears;
 - (g) The provision of new services;
 - (h) An agreement between a debtor's employer and the Council to deduct amounts from the debtor's salary or wage;
 - (i) Any other matter which is incidental to credit control and debt collection;
 - (j) The sale in execution of any property. In determining its policy, the Council may differentiate between categories of persons, clients, debtors and owners as it may deem appropriate provided such differentiation does not amount to unfair discrimination.
- (2) Anyone shall, upon payment of the prescribed fee be entitled to a copy of the Credit Control Policy.

CREDIT CONTROL AND DEBT COLLECTION PROCEDURES: RATES AND SERVICE CHARGES.

10. (1) Annual rates and service charges are levied on all properties during July of every year, and the due date for the payment of these charges are on the thirtieth (30th) day of September of every year. Council may by notice in the Provincial Gazette amend these dates.
- (2) Rates, refuse and sewerage charges which are by arrangement paid on a monthly basis shall be payable by the due date as indicated on the account.
- (3) Accounts rendered by the Municipality in respect of electricity and water shall be payable by the due date as indicated on the account,
- (4) Interest on arrears shall accrue on all amounts that remain unpaid after the due date as indicated on the account rendered by the municipality.
- (5) In the event of an owner of property falling to pay the outstanding rates and service charges by the due date, the Chief Financial Officer or any person duly authorised thereto, shall ensure that the necessary steps are taken to collect the arrear debt in accordance with the debt collection procedures prescribed in terms of the Credit Control and Debt Collection Policy or Council may use any one or more of the following mechanisms to secure full payment of any amounts owing to it:
 - (a) requiring of the account holder to convert to another metering system;
 - (b) allocating a portion of any pre-paid payment to other debts;
 - (c) releasing debtor information to a credit bureau;
 - (d) publishing a list of account holders who remain in default;

- (e) withholding payment of a grand-in-aid and subject to the provisions of section 9, excluding the account holder from the tender process;
 - (f) withholding payment on contracts for settlement of the municipal account;
 - (g) reviewing and altering the conditions of the service agreement;
 - (h) instituting legal proceedings for the recovery of the debt;
 - (i) classifying the account holder as an unreliable customer;
 - (j) using the services of external debt collection specialists or agencies;
 - (k) insisting on conversion to pre-paid metering at the cost of the account holder; or
 - (l) employing any other methods authorised by Council from time to time to recover arrear amounts.
- (6) The Municipality shall disconnect the electricity supply or block the purchase of electricity on the prepayment electricity system and/or restrict or disconnect the water supply of any property in respect of which an account has not been paid by the due date in the manner provided for in the Electricity and Water By-laws.
 - (7) Any legal costs, collection costs and disbursements relating to the aforesaid procedures shall be debited to account of the defaulting debtor.
 - (8) Persons who have made arrangements to settle their rates accounts on a monthly basis shall maintain regular payments. Failure to adhere to the arrangement and to pay the monthly Instalments for three consecutive months shall result in the cancellation of the said facility, and the outstanding balance shall become due and payable.
 - (9) The Chief Financial Officer may refuse to allow any registered owner who has defaulted on the monthly payment facility to enter into such an arrangement for a further period determined by the Chief Financial Officer or any person duly authorised thereto and which period shall not exceed three years.
 - (10) Where a company, closed corporation or a body corporate in terms of the Sectional Titles Act, 1988 is responsible for the payment of any amount to the Council, the liability of such entity shall be extended to the directors or members thereof jointly and severally as the case may be.
 - (11) The Chief Financial Officer may, upon good cause shown, allow any defaulting owner or occupier of a property, to enter into an arrangement for the payment of the outstanding account by way of instalments, on such terms and conditions determined by the Credit Control and Debt Collection Policy. When such an agreement has been entered into, all actions against the owner or occupier of a property in terms of the Credit Control and Debt Collection policy shall be suspended.
 - (12) The Chief Financial Officer may, in respect of an Owner of a property where the water and/or electricity connections had been disconnected at least twice during the preceding period of twelve months, give notice in terms of the provisions of these by-laws of his intention to review the amount of the deposit required from that owner.

CERTIFICATES REQUIRED FOR THE TRANSFER OF IMMOVABLE PROPERTY

11.
 - (1) Applications for the issuing of certificates required for the transfer of immovable property in terms of Section 118 of the Local Government: Municipal Systems Act No 32 of 2000 must be lodged with the Chief Financial Officer in the prescribed manner.
 - (2) A certificate mentioned in subsection (1) may only be issued if all amounts that became due in connection with that property for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid.

INTEREST ON OUTSTANDING BALANCES

12.
 - (1) Rates
All outstanding payments in respect of rates levied and not paid by the due date shall attract interest.
 - (2) Service Charges
All outstanding accounts in respect of service charges that are not paid by the due date shall attract interest.
 - (3) Sundry Debtor Accounts
All outstanding amounts in respect of sundry debtor accounts and that have not been settled within thirty days from the billing date shall attract interest.
 - (4) No interest shall be charged on any outstanding amounts in respect of which an agreement had been concluded for the payment by way of instalments thereof, provided that the debtor complies with the terms of the agreement,
 - (5) For the purposes of this section the interest shall be calculated for each month for which such payment remains unpaid and a part of a month shall be deemed to be a month.

WRITE OFF OF IRRECOVERABLE DEBTS

13.
 - (1) The Municipal Council may, on recommendation from the Municipal Manager, or any duly delegated official, write off any debt or portion thereof, provided that the Municipal Council is satisfied that the debt or portion thereof is irrecoverable or that it will be in the best interest of the Municipality to accept part payment of the debt in full and final settlement.

- (2) The executive Mayor may recommend to the Municipal Council that any outstanding debt or portion thereof be written off, if in his opinion it would be in the best interest of the Municipality, and that the writing off of the debt will not be contrary to the provisions of the local Government: Municipal Finance Management Act No, 56 of 2003.
- (3) The Municipal Manager shall in his written recommendations to Council provide details of:
 - (a) The debt collection procedures implemented to recover the debt and the costs incurred as a result thereof;
 - (b) The reasons why the debt collection procedures were not successful and had to be abandoned;
 - (c) The debtors financial position, if known;
 - (d) Reasons why the debt or a portion thereof is regarded as being irrecoverable;

TARIFF POLICY

14. (1) The Council of the Municipality shall adopt a tariff policy which shall reflect at least the following principles:
 - (a) That users of municipal services should be treated equitably in the application of tariffs
 - (b) That the amount individual users pay for services should generally be in proportion to their use of that service;
 - (c) That poor households must have access to at least basic services through:-
 - (i) tariffs that cover only operating and maintenance costs,
 - (ii) special tariffs or life time tariffs for low levels of use or consumption of services or for basic levels of service; or
 - a. any other direct or indirect method of subsidisation of tariffs for poor households.
 - (d) That tariffs must reflect the costs reasonably associated with rendering a service, including capital, operating, maintenance, administration and replacement costs and interest charges;
 - (e) That tariffs must be set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned;
 - (f) That provision may be made in appropriate circumstances for a surcharge on the tariff for a service;
 - (g) That provision may be made for the promotion of local economic development through special tariffs for categories of commercial and industrial users;
 - (h) That the economical, efficient and effective use of resources, the recycling of waste, and other appropriate environmental objectives are encouraged;
 - (i) That the extent of subsidisation of tariffs for poor households and other categories of users should be fully disclosed.
- (2) Tariffs adopted by the Council in terms of the Tariff Policy shall encourage and promote the objects and programmes contained in the Integrated Development Plan of the Municipality.
- (3) The Tariff Policy adopted by the Council shall be reviewed by the Council of the Municipality at least once every year.

FIXING OF CHARGES AND FEES BY RESOLUTION

15. (1) The Municipal Council shall by special resolution fix charges and fees or tariffs of charges and fees in respect of municipal services:-
 - (a) in connection with any amenity, facility, entertainment, exhibition, performance or service established or provided by it where no such charges, fees or tariffs have been fixed by law;
 - (b) for the exercise and performance of any power, duty or function conferred or imposed on it by or under any law where no such charges, fees or tariff has been fixed by or under such law;
 - (c) and may:-
 - (i) in fixing such charges, fees or tariff, differentiate between different classes of persons or property on such grounds as it may deem reasonable;
 - (ii) from time to time amend such charges or fees, and
 - (iii) recover any charges or fees so fixed.
- (2) The Municipal Council shall, after fixing or amending any charges, fees or tariff of charges and fees in terms of subsection (1) in connection with any municipal service;
 - (a) advertise the fixing or amendment of such charges, fees or tariff;
 - (b) in the advertisement contemplated by paragraph (a), specify the date on or circumstances in which such fixing or amendment shall take effect.
- (3) When the Municipal Council has fixed or amended any charges, fees or tariff of charges and fees in terms of subsection (1) in any case not contemplated by section (2) shall, by publication in the press, give notice of the fixing or amendment of such charges, fees or tariff and of the date on or circumstances in which such fixing or amendment shall take effect and such fixing or amendment shall take effect on the date so fixed or in the circumstances so specified.

FULL AND FINAL SETTLEMENT OF AN AMOUNT

16. (1) The Chief Financial Officer shall be at liberty to appropriate monies received in respect of any municipal services provided by the Municipality in a manner he or she deems fit in accordance with the Credit Control and Debt Collection Policy of the Council.
- (2) Where the exact amount due and payable to the Council has not been paid in full, any lesser amount tendered to and accepted by any Council employee, shall not be deemed to be in final settlement of such an amount unless permitted by the Credit Control Policy and Debt Collection Policy of the Council.

- (3) The provisions in sub-section (1) above shall prevail notwithstanding the fact that such a lesser payment was tendered and/or accepted in full settlement.

AGREEMENTS WITH EMPLOYER BODIES

17. (1) The Chief Financial Officer may enter into a written agreement with any employer within the Council's area of jurisdiction to deduct outstanding rates and service charges or to settle regular monthly accounts through deductions from salaries or wages of its employees,
- (2) The Municipality may, from time to time, provide special rebates, Incentives or benefits to the employer or employees in the event of such an agreement, subject to the provisions of the Local Government: Municipal Property Rates Act, 6 of 2004, and any other applicable legislation.

CUSTOMER ASSISTANCE PROGRAMS

18. (1) Water Leak Rebates
- (a) The owner of property or occupier thereof will only be entitled to a water leak rebate if:-
- (i) Such person submits a certificate from a registered plumber or sworn affidavit from any other person who has repaired the leak* within ten days of the leak having been repaired. The said certificate must clearly state the date on which the leak was repaired, confirm that the leak was not discernable from the surface, and certify that the leak occurred on a pipe fisted on the schedule of approved pipes and fittings prescribed by the Director of Engineering Services.
- (ii) A leak must be repaired within forty-eight hours (48) after detection and the repair costs shall be for the account of the consumer.
- (2) Rates Rebate
Only properties that are exclusively used for residential purposes qualify for a rates rebate in terms of Councils Property Rates Policy. The rebate to be granted will be determined by Council annually.
- (3) Indigent Assistance Program
- (a) An account holder may apply to the Municipality, In the prescribed manner, to be declared indigent provided that the following conditions are applied:-
- (i) That the gross household income must not exceed the poverty threshold value as determined by Council from time to time.
- (ii) That the Municipality may inspect the property occupied by the applicant and in respect of which municipal services are rendered to assess the merits of the application;
- (iii) Any aggrieved person who was not successful in the application to be regarded as Indigent may lodge an appeal to the chief financial officer within a period of ten (10) days from the date on which the aforesaid decision has been communicated to him/her.
- (iv) Any person who has been declared Indigent shall be entitled to indigent subsidies or basic services on a basis determined by Council from time to time and in accordance with the National policy on indigents.

SERVICE AGREEMENTS

19. Where a service is provided on behalf of the Municipality by a service provider, the Council shall ensure that any agreement for the provision of such a service shall contain a reference to the right of the Council to control the setting and adjustment of tariffs to be charged by such service provider for the rendering of the service in question In terms of the Tariff Policy of the Council.

INDIGENT SUPPORT POLICY

20. (1) The Council shall adopt an Indigent Support Policy which shall embody an indigent support programme providing procedures and guidelines for the subsidisation of basic services and tariff charges to Indigent households in its municipal area.
- (2) The object of the Indigent Support Policy will be to ensure:-
- (a) The provision of basic services to the community in a sustainable manner within the financial and administrative capacity of the Council; and
- (b) The provision of procedures and guidelines for the subsidisation of basic service charges to indigent households.

POWER OF ENTRY AND INSPECTION

21. (1) A duly authorized representative of the Council may for any purpose related to the Implementation or enforcement of this by-law, at all reasonable times or in an emergency at any time, enter premises, request information and carry out such Inspection and examination as he or she may deem necessary, and for purposes of Installing or repairing any meter or service connection reticulation, or to disconnect, stop or restrict the provision of any service.
- (2) If the Council considers It necessary that work be performed to enable an employee to perform a function referred to in subsection

(1) properly and effectively, it may -

- (a) By written notice require the owner or occupier of the premises at his own expense to do specific work within a specified period; or
- (b) if in its opinion the situation is a matter of urgency, without prior notice do such work or cause it to be done at the expense of the owner,
- (c) If the work referred to in subsection (1) above is carried out for the sole purpose of establishing whether a contravention of this by-law has been committed and no such contravention has taken place, the Council shall bear the expense connected therewith together with the expense of restoring the premises to its former condition.

OFFENCES

22.

Any person who-

- (a) Fails to give the access required by an employee in terms of this by-law;
 - (b) Obstructs or hinders an employee in the exercise of his or her powers or performance of functions or duties under this by-law;
 - (c) Uses or interferes with Council equipment or consumption of services supplied;
 - (d) Tampers or breaks any seal on a meter or on any equipment belonging to the Council, or for any reason as determined by the Chief Financial Officer causes a meter not to properly register the service used;
 - (e) Fails or refuses to give an employee such information as he or she may reasonably require for the purpose of exercising his or her power or functions under these by-laws or gives such an officer false or misleading information knowing it to be false or misleading;
 - (f) Contravenes or fails to comply with a provision of this by-law,
- shall be guilty of an offence and be liable upon conviction to a fine not exceeding R2000 or to imprisonment for a period not exceeding six months or both such a fine and imprisonment and, in addition, may be charged for usage, as estimated by the Chief Financial Officer based on average usage during the previous 6 months or as may be determined by resolution of the Council from time to time;

CONFLICT OF BY LAWS

23. If there is any conflict between this by-law and any other by-law of the Council, this by-law will prevail.

NOTICES AND DOCUMENTS

24. (1) A notice or document issued by the Council in terms of these by-laws shall be deemed to be duly issued if signed by an employee duly authorized by the Council.
- (2) If a notice is to be served on a person in terms of this by-law, such service shall be effected by:
- (a) Delivering the notice to him personally or to his duly authorized agent or;
 - (b) By delivering the notice at his residence or place of employment to a person apparently not less than sixteen years of age and apparently residing or employed there;
 - (c) If he has nominated an address for legal purposes, by delivering the notice to such an address; or
 - (d) By registered or certified post addressed to his last known address.
 - (e) In the case of a body corporate, by delivering it to the registered office or the business premises of such a body corporate;
 - (f) if service cannot be effected in terms of the aforesaid sub-sections, by affixing it to the principal door of entry to the premises, or displaying it on a conspicuous place on the land to which it relates.

AUTHENTICATION OF DOCUMENTS

25. (1) Every order, notice or other document requiring authentication by the Council shall be sufficiently authenticated, if signed by the Municipal Manager or by a duly authorized employee of the Council;
- (2) Delivery of a copy of the document shall be deemed to be delivery of the original,

PRIMA FACIE EVIDENCE

26. A certificate under the hand of the Chief Financial Officer reflecting the amount due and payable to the Council shall upon mere production thereof be accepted by any court of law as prima facie evidence of the indebtedness reflected therein.

GENERAL

27. These by-laws shall be binding on all persons who own and/or occupy property within the area jurisdiction of the municipality

REPEAL AND AMENDMENTS

28. Any by-laws relating to credit control and debt collection adopted by the Council or any municipality now comprising an administrative unit of the Council is repealed from the date of promulgation of these by-laws

SHORT TITLE

29. These By-laws are called the Credit Control and Debt Collection By-laws, 2009

NALA MUNICIPALITY

PROPERTY RATES BY-LAW

FOR IMPLEMENTATION ON 1 JULY 2009

NALALOCAL MUNICIPALITY

PROPERTY RATES BY-LAW

The Municipal Manager of NALA Local Municipality hereby, in terms of Section 6 of the Local Government: Municipal Property Rates Act, 2004 (No. 6 of 2004), publishes the Property Rates By-law for the NALA Local Municipality, as approved by its Council as set out hereunder.

PURPOSE OF BY-LAW

To allow Council to exercise its power to value and impose rates on immovable properties located within its area of jurisdiction in such a manner that it will contribute to effective and economic service delivery to the entire community.

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1. Definitions

For the purpose of these by-laws any word or expression to which a meaning has been assigned in the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) shall bear the same meaning in these by-laws and unless the context indicates otherwise-

- 1.1 "Act" means the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004);
- 1.2 "Agent", in relation to the owner of a property, means a person appointed by the owner of the property-
- (a) to receive rental or other payments in respect of the property on behalf of the owner; or
 - (b) to make payments in respect of the property on behalf of the owner;
- 1.3 "Agricultural purpose" in relation to the use of a property, includes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game;
- 1.4 "Annually" means once every financial year;
- 1.5 "Category"
- (a) in relation to property, means a category of properties determined in terms of Section 5 of this By-law; and
 - (b) in relation to owners of properties, means a category of owners determined in terms of Section 6 of this By-law.
- 1.6 "Child-headed household" means a household where the main caregiver of the said household is younger than 18 years of age. Child-headed household means a household headed by a child as defined in terms of section 28(3) of the Constitution.
- 1.7 "Definitions, words and expressions" as used in the Act are applicable to this By-law, where ever it is used;
- 1.8 "Land reform beneficiary", in relation to a property, means a person who -
- (a) acquired the property through -
 - (i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or
 - (ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994);
 - (b) holds the property subject to the Communal Property Associations Act, 1996 (Act No 28 of 1996);
 - (c) holds or acquires the property in terms of such other land tenure reform legislation as may pursuant to section 25(6) and (7) of the Constitution (Act No.108 of 1996) be enacted after this Act has taken effect;
- 1.9 "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 (Act No.11 of 2004);
- 1.10 "Municipality" means the Local Municipality of Nala;
- 1.11 "Newly Rateable property" means any rateable property on which property rates were not levied before the end of the financial year preceding the date on which this Act took effect, excluding -
- (a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and
 - (b) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified;
- 1.12 "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 the definition of "publicly controlled", provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:-
 - (i) a trustee, in the case of a property in a trust excluding state trust land;
 - (ii) an executor or administrator, in the case of a property in a deceased estate;
 - (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in
 - (iv) a judicial manager, in the case of a property in the estate of a person under
 - (v) a curator, in the case of a property in the estate of a person under curatorship;
 - (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal 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;

1.13 **“Privately owned towns serviced by the owner”** means single properties, situated in an area not ordinarily being serviced by the municipality, divided through sub division or township establishment into (ten or more) full title stands and/ or sectional units and where all rates related services inclusive of installation and maintenance of streets, roads, sidewalks, lighting, storm water drainage facilities, parks and recreational facilities are installed at the full cost of the developer and maintained and rendered by the residents of such estate.

1.14 **“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.

1.15 **“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).

1.16 **“Residential property”** means improved property that:-

- (a) is used predominantly (60% or more) for residential purposes including any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes.
- (b) Is a unit registered in terms of the Sectional Title Act and used predominantly for residential purposes.
- (c) Is owned by a share-block company and used solely for residential purposes.
- (d) Is a residence used for residential purposes situated on property used for or related to educational purposes.
- (e) Retirement schemes and life right schemes used predominantly (60% or more) for residential purposes.

And specifically exclude hostels, flats, old age homes, guest houses and vacant land irrespective of its zoning or intended use.

1.17 **“Rural communal settlements”** means the residual portion of rural communal land excluding identifiable and rateable entities within the property and excluding State Trust Land and land reform beneficiaries as defined in the Act.

1.18 **“state trust land”** means land owned by the state-

- (a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;
- (b) over which land tenure rights were registered or granted; or
- (c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994).

1.19 In this by-law, words used in the masculine gender include the feminine, the singular includes the plural and vice versa.

2. Principles

- 2.1 Rates will be levied in accordance with the Act as an amount in the rand based on the market value of all rateable property contained in the municipality's valuation roll and supplementary valuation roll.
- 2.2 The municipality will differentiate between various categories of property and categories of owners of property as contemplated in clause 5 and 6 of this by-law.
- 2.3 Some categories of property and categories of owners will be granted relief from rates.
- 2.4 The municipality will not grant relief in respect of payments for rates to any category of owners or properties, or to owners of properties on an individual basis.
- 2.5 There will be no phasing in of rates based on the new valuation roll, except as prescribed by legislation and in accordance with clause 14 of this by-law.
- 2.6 The municipality's rates policy will be based on the following principles:
- (a) Equity
The municipality will treat all ratepayers with similar properties the same.
- (b) Affordability
The ability of a person to pay rates will be taken into account by the municipality. In dealing with the poor/indigent ratepayers the municipality will provide relief measures through exemptions, reductions or rebates and cross subsidy from the equitable share.
- (c) Sustainability
Rating of property will be implemented in a way that:
- i. it supports sustainable local government by providing a stable and buoyant revenue source within the discretionary control of the municipality;
- ii. Supports local, social and economic development; and
- iii. Secures the economic sustainability of every category of ratepayer.
- (d) Cost efficiency

Rates will be based on the value of all rateable property and will be used to fund community and subsidised services after taking into account profits generated on trading (water, electricity) and economic (refuse removal, sewerage disposal) services and the amounts required to finance exemptions, rebates, reductions and phasing-in of rates as approved by the municipality from time to time.

3. Application of By-law

- 3.1 Where this by-law contradicts national legislation, such legislation has preference over this by-law. The Municipal Manager shall bring such conflicts immediately to the attention of the municipality once he becomes aware of such conflicts and will propose changes to the municipality's by-laws to eliminate such conflicts.
- 3.2 If there is any conflict between this by-law and the Property Rates policy of the municipality, this by-law will prevail.
- 3.3 In imposing the rate in the rand for each annual operating budget component, the municipality shall grant exemptions, rebates and reductions to the categories of properties and categories of owners.

4. Principles applicable to financing services

- 4.1 The municipal manager or his/her nominee must, subject to the guidelines provided by the National Treasury and Executive Committee of the municipality, make provision for the following classification of services:-
- (a) Trading services
- i. Water
- ii. Electricity
- (b) Economic services
- i. Refuse removal.
- ii. Sewerage disposal.
- (c) Community and subsidised services
These include all those services ordinarily being rendered by the municipality that benefit the community as a whole, excluding those mentioned in 4.1 (a) and (b).

4.2 Trading and economic services as referred to in clauses (a) and (b) must be ring fenced and financed from service charges while community and subsidised services referred to in clause (c) will be financed from surpluses on trading and economic services, regulatory fees, rates and rates related income.

5. Categories of property

5.1 Different rates may be levied in respect of the categories of rateable properties as determined by the municipality's rates policy.

5.2 Such rates will be determined on an annual basis during the compilation of the municipality's budget.

5.3 In determining the category of a property referred to in 5.1 the municipality shall take into consideration the dominant use of the property regardless the formal zoning of the property;

5.4 Properties used for multiple purposes shall be categorised and rated as provided for in section 9 of the Act and as more fully described in clause 7 of this by-law.

6. Categories of owners

6.1 For the purpose of granting exemptions, reductions and rebates in terms of clause 9, 10 and 11 respectively the following categories of owners of properties are determined:

- (a) Those owners who qualify and who are registered as indigents in terms of the adopted indigent policy of the municipality;
- (b) Those owners who do not qualify as indigents in terms of the adopted indigent policy of the municipality but whose total monthly income is less than the amount annually determined by the municipality in its budget;
- (c) Owners of property situated within an area affected by-
 - i. a disaster within the meaning of the Disaster Management Act, 2002 (Act No. 57 of 2002); or
 - ii. serious adverse social or economic conditions.
- (d) Owners of residential properties with a market value below the amount as determined annually by the municipality in its budget;
- (e) Owners of properties situated in "privately owned towns" as determined by the municipality's rates policy;
- (f) Owners of agricultural properties as determined by the municipality's rates policy; and
- (g) Child headed families where any child of the owner or child who is a blood relative of the owner of the property, is responsible for the care of siblings or parents of the household.

7. Properties used for multiple purposes

7.1 Rates on properties used for multiple purposes will be levied by the dominant use of the property.

8. Differential rating

8.1 Criteria for differential rating on different categories of properties will be according to-

- (a) The nature of the property including its sensitivity to rating e.g. agricultural properties used for agricultural purposes.
- (b) The promotion of social and economic development of the municipality.

8.2 Differential rating among the various property categories will be done by way of setting different cent amount in the rand for each property category; and

8.3 by way of reductions and rebates as provided for in the municipality's rates policy document.

9. Exemptions and Impermissible Rates

9.1 Categories of property and categories of owners as determined by the municipality's rates policy on an annual basis will be exempted from paying rates.

9.2 Conditions determined by the rates policy will be applied accordingly.

9.3 Exemptions will automatically apply where no applications are required.

9.4 Rates may not be levied by the municipality on properties prescribed in Section 17(1) of the Municipal Property Rates Act, 2004.

9.5 Public Benefit Organisations performing a specific public benefit activity and registered in terms of the Income Tax Act, 1962 (No 58 of 1962) for tax reduction because of those activities, may apply for exemption of property rates, on conditions as determined by the municipality's rates policy.

9.6 The municipality retains the right to refuse the exemption if the details supplied in the application form were incomplete, incorrect or false.

9.7 The extent of the exemptions implemented will annually be determined by the municipality and it must be included in the annual budget.

10. Reductions

10.1 Reductions as contemplated in section 15 of the Act will be considered on an *ad-hoc* basis in the event of the following:

10.1.1 Partial or total destruction of a property.

10.1.2 Disasters as defined in the Disaster Management Act, 2002 (Act 57 of 2002).

10.2 The following conditions shall be applicable in respect of 10.1:-

10.2.1 The owner referred to in 10.1.1 shall apply in writing for a reduction and the onus will rest on such applicant to prove to the satisfaction of the municipality that his property has been totally or partially destroyed. He/she will also have to indicate to what extent the property can still be used and the impact on the value of the property.

10.2.2 Property owners will only qualify for a rebate if affected by a disaster as referred to in the Disaster Management Act, 2002 (Act No. 57 of 2002).

10.2.3 A maximum reduction determined annually by the municipality will be allowed in respect of both 10.1.1 and 10.1.2.

10.2.4 An ad-hoc reduction will not be given for a period in excess of 6 months, unless the municipality gives further extension on application.

10.2.5 If rates were paid in advance prior to granting of a reduction the municipality will give credit to such an owner as from the date of reduction until the date of lapse of the reduction or the end of the period for which payment was made whichever occurs first.

11. Rebates

11.1 Categories of property

11.1.1 The municipality may grant rebates to categories of property as determined in the municipality's rates policy.

11.2 Categories of owners

11.2.1 The municipality may grant rebates to categories of owners as determined annually in the municipality's rates policy.

11.3 Conditions determined by the rates policy will be applied accordingly.

11.4 Applications for rebates must reach the municipality before the date determined by the property policy, preceding the start of the new municipal financial year for which relief is sought.

11.5 The municipality retains the right to refuse rebates if the details supplied in the application form were incomplete, incorrect or false.

11.6 Properties with a market value below a prescribed valuation level of an amount determined annually by the Municipality may, instead of a rate being determined on the market value, be rated a uniform fixed amount per property.

11.7 The extent of the rebate in terms of 11.1, 11.2 and 11.6 will annually be determined by the municipality and it must be included in the annual budget.

12. Payment of rates

12.1 Council may levy assessment rates: -

(a) On a monthly basis or less regular as determined by the Municipal Finance Management Act,(No.56 of 2003) or

(b) Annually, as agreed with the owner of the property.

12.2 The municipality shall determine the due dates for payments in monthly instalments and the single annual payment and this date shall appear on the accounts forwarded to the owner/ tenant/ occupants/ agent.

12.3 Rates payable on an annual basis will be subject to a discount of 5% if paid in full on or before 30 September of each year.

- 12.4 Interest on arrears rates, whether payable on or before 30 September or in equal monthly instalments, shall be calculated in accordance with the provisions of the Credit Control and Debt Collection Policy of the Municipality.
- 12.5 If a property owner, who is responsible for the payment of property rates in terms of the rates policy, fails to pay such rates in the prescribed manner, it will be recovered from him/her in accordance with the provisions of the Credit Control and Debt Collection By-law of the Municipality.
- 12.6 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act and the Municipality's credit control en debt collection by-law.
- 12.7 Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll.
- 12.8 In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.
- 13. Accounts to be furnished**
- 13.1 The municipality will furnish each person liable for the payment of rates with a written account, which will specify:
- (i) the amount due for rates payable,
 - (ii) the date on or before which the amount is payable,
 - (iii) how the amount was calculated,
 - (iv) the market value of the property, and
 - (v) rebates, exemptions, reductions or phasing-in, if applicable.
- 13.2 A person liable for payment of rates remains liable for such payment, whether or not such person has received a written account from the municipality. If the person concerned has not received a written account, he/she must make the necessary enquiries with the municipality.
- 13.3 In the case of joint ownership the municipality shall consistently, in order to minimise costs and unnecessary administration, recover rates from one of the joint owners only provided that it takes place with the consent of the owners concerned.
- 14. Phasing in of rates**
- 14.1 The rates to be levied on newly rateable property shall be phased in as explicitly provided for in section 21 of the Act.
- 14.2 The phasing-in discount on the properties referred to in section 21 shall be as follows:
- First year : 75% of the relevant rate;
 - Second year : 50% of the relevant rate; and
 - Third year : 25% of the relevant rate.
- 14.3 No rates shall be levied on newly rateable properties that are owned and used by organisations conducting activities that are beneficial to the public and that are registered in terms of the Income Tax Act for those activities, during the first year. The phasing-in discount on these properties shall be as indicated below:-
- First year : 100% of the relevant rate;
 - Second year : 75% of the relevant rate;
 - Third year : 50% of the relevant rate; and
 - Fourth year : 25% of the relevant rate.\
- 15. Special rating areas**
- 15.1 The municipality will, whenever deemed necessary, by means of a formal Council resolution determine special rating areas in consultation with the relevant communities as provided for in section 22 of the Act.
- 15.2 The following matters shall be attended to in consultation with the committee referred to in clause 15.3 whenever special rating is being considered:

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- 15.2.1 Proposed boundaries of the special rating area;
- 15.2.2 Statistical data of the area concerned giving a comprehensive picture of the number of erven with its zoning, services being rendered and detail of services such as capacity, number of vacant erven and services that are not rendered;
- 15.2.3 Proposed improvements clearly indicating the estimated costs of each individual improvement;
- 15.2.4 Proposed financing of the improvements or projects;
- 15.2.5 Priority of projects if more than one;
- 15.2.6 Social economic factors of the relevant community;
- 15.2.7 Different categories of property;
- 15.2.8 The amount of the proposed special rating;
- 15.2.9 Details regarding the implementation of the special rating;
- 15.2.10 The additional income that will be generated by means of this special rating.
- 15.3 A committee consisting of 6 members of the community residing within the area affected will be established to advise and consult the municipality in regard to the proposed special rating referred to above. This committee will be elected by the inhabitants of the area concerned who are 18 years of age or older. No person under the age of 18 may be elected to serve on the committee. The election of the committee will happen under the guidance of the Municipal Manager. The committee will serve in an advisory capacity only and will have no decisive powers.
- 15.4 The required consent of the relevant community shall be obtained in writing or by means of a formal voting process under the chairmanship of the Municipal Manager. A majority shall be regarded as 50% plus one of the households affected. Each relevant household, i.e. every receiver of a monthly municipal account, will have 1 vote only.
- 15.5 In determining the special additional rates the municipality shall differentiate between different categories as referred to in clause 5.
- 15.6 The additional rates levied shall be utilised for the purpose of improving or upgrading of the specific area only and not for any other purposes whatsoever.
- 15.7 The municipality shall establish separate accounting and other record-keeping systems, for the identified area and the households concerned shall be kept informed of progress with projects and financial implications on an annual basis.
- 16. Frequency of valuation**
- 16.1 The municipality shall prepare a new valuation roll every 4 (four) years.
- 16.2 The municipality, under exceptional circumstances, may request the MEC for Local Government and Housing in the province to extend the validity of the valuation roll to 5 (five) years.
- 16.3 Supplementary valuations will be done at least on an annual basis to ensure that the valuation roll is properly maintained.
- 17. Community participation**
- 17.1 Before the municipality adopts the rates by-law, the municipal manager will follow the process of community participation envisaged in chapter 4 of the Municipal Systems Act and comply with the following requirements:
- 17.1.1 Council must establish appropriate mechanisms, processes and procedures to enable the local community to participate and will provide for consultative sessions with locally recognised community organisations and where appropriate traditional authorities.
- 17.1.2 Conspicuously display the draft rates by-law for a period of at least 30 days (municipality to include period decided on) at the municipality's head and satellite offices and libraries (and on the website).
- 17.1.3 Advertise in the media a notice stating that the draft rates by-law has been prepared for submission to council and that such by-law is available at the various municipal offices and on the website for public inspection.
- 17.1.4 Property owners and interest persons may obtain a copy of the draft policy from the municipal offices during office hours at a fee as determined by Council as part of its annual tariffs.
- 17.1.5 Property owners and interest persons are invited to submit written comments or representations to the municipality within the specified period in the notice.
- 17.1.6 The municipality will consider all comments and/or representations received when considering the finalisation of the rates policy and by-law.
- 17.1.7 The municipality will communicate the outcomes of the consultation process in accordance with section 17 of the Municipal Systems Act 32 of 2000.

18. Register of properties

- 18.1 The municipality will compile and maintain a register in respect of all properties situated within the jurisdiction of the municipality. The register will be divided into Part A and Part B.
- 18.2 Part A of the register will consist of the current valuation roll of the municipality and will include all supplementary valuations done from time to time.
- 18.3 Part B of the register will specify which properties on the valuation roll or any supplementary valuation roll are subject to:
- i. Exemption from rates in terms of section 15 of the Property Rates Act, 2004,
 - ii. Rebate or reduction in terms of section 15 of the Act ,
 - iii. Phasing-in of rates in terms of section 21 of the Act, and
 - iv. Exclusions as referred to in section 17 of the Act.
- 18.4 The register will be open for inspection by the public at the municipal main offices during office hours or on the website of the municipality.
- 18.5 The municipality will update Part A of the register during the supplementary valuation process.
- 18.6 Part B of the register will be updated on an annual basis as part of the implementation of the municipality's annual budget.

19. Regular review processes

- 19.1 The municipality's rates policy must be reviewed on an annual basis to ensure that it complies with the Municipality's strategic objectives as contained in the Integrated Development Plan and with relevant legislation.

20. Short title

This by-law is the rates by-law of the NALA Local Municipality.

21. Commencement

This by-law comes into force and effect on 1 July 2009.

NOTICE

PLEASE TAKE NOTE: THAT THE LAST PUBLICATION OF THE PROVINCIAL GAZETTE FOR THE YEAR 2009 WILL BE ON 11 DECEMBER 2009.

THE NEXT PUBLICATION WILL BE ON 08 JANUARY 2010.
