



MAKHADO LOCAL MUNICIPALITY

PROPERTY RATES BY-LAW, 2020/2021

(Approved by Council Resolution A.59.26.06.20)

Vision: "A dynamic hub for socio-economic development by 2050"

Mission: "To ensure effective utilization of economic resources to address socio-economic imperatives through mining, agriculture and tourism"

Values

1. Distinctiveness (Uniqueness, Excellence)
2. Progressiveness (Open Minded)
3. Dynamic (Energetic, Lively, Self-Motivated)
4. Culpability (Accountability and Responsibility)
5. Efficacy (Effectiveness and Efficiency)
6. Adeptness (Expertise and Proficiency)

Seven (7) Strategic Objectives

1. Promote Community Participation and Environmental Welfare
2. Invest In Local Economy
3. Advance Spatial Planning
4. Invest in Human Capital
5. Good Governance and Administrative Excellence
6. Sound Financial Management and Viability
7. Accessible Basic and Infrastructure Services

MAKHADO LOCAL MUNICIPALITY

PROPERTY RATES BY-LAW

(COUNCIL RESOLUTION A.56.26.06.20)

The Municipal Manager of Makhado 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 Makhado Local Municipality.

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);
 - 1.1.1 Inclusion is the 3 Inclusive additions as per the Municipal Property Rates Amendment Act of 2014, as per Gazette 37922 issued on 18 August 2014 but effective 1 July 2015
- 1.2 "Municipality" means the Makhado Local Municipality NP 344;
- 1.3 "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 services inclusive of water, electricity, sewerage and refuse removal and roads development are installed at the full cost of the developer and maintained and rendered by the residents of such estate.
- 1.4 "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. And specifically exclude vacant land irrespective of its zoning or intended use.

1.5 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.

(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; and

ii. Supports local social economic development.

(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 surpluses generated on trading (water, electricity) and economic (refuse removal, sewerage removal) 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 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 following criteria or a combination thereof:-

- The use of the property;
- Permitted use of the property; and
- The geographical area in which the property is situated.

5.4 In order to create certainty and to ensure consistency the criteria mentioned in 5.3 shall be applied as indicated below in order of priority and no deviation is permissible:

5.4.1 Properties shall first of all be categorised in accordance with their formal zoning. Town planning schemes, town establishment schemes and town planning regulations may be used to determine the formal zoning.

5.4.2 If, for whatever reason, the status or zoning of a property cannot be determined in terms of 5.4.1 the actual use shall then be determined in order to appropriately categorise such property. All relevant information, including circumstantial evidence, may be taken into consideration in an attempt to determine for what purpose the property is being used. A physical inspection may be done to acquire the necessary information.

5.4.3 The geographical area in which a property is situated may be used to assist in the categorisation of a property when the provisions of 5.4.1 can not be applied. However, the geographical area as a criterion should not be used in isolation.

5.5 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.

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 during the budget process;
- (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 as part of tariffs approved during the budget process; and
- (e) Owners of agricultural properties.

7. Properties used for multiple purposes

7.1 Rates on properties used for multiple purposes will be levied as follows:

- (a) In accordance with the "permitted use of the property".
- (b) In accordance with the "dominant use of the property" if (a) cannot be applied; or
- (c) In accordance with the "different uses" by apportioning the market value of a category of property to the different purposes for which the property is used if both (a) and (b) above cannot be applied.

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 as determined by the municipality's rates policy on an annual basis will be exempted from paying rates.

- a) All applications will be dealt with in accordance with the municipality's Credit control and Indigent Policies.
- b) Conditions determined by the Rates policy will be applied accordingly.
- c) The municipality retains the right to refuse exemptions if the details supplied in the application form are incomplete, incorrect or false.
- d) Exemptions will automatically apply where no applications are required.
- e) Rates may not be levied by the municipality on properties in section 17(1) of the Act as amended in Gazette no: 38259 on 28 November 2014

9.2 Exemptions will automatically apply.

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 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.

11.2.2. Applications by property owners for rebates must reach the municipality before the date determined by the Property Rates Policy, preceding the start of the municipal financial year for which relief is sought.

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

11.3 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.

11.4 The extent of the rebate in terms of 11.1, 11.2 and 11.3 shall annually be determined by the municipality during the budget process.

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 Assessment rates is payable:-

- (a) Annually in a once of amount determined by the municipality during the budget process; or
- (b) in instalments payable on or before a date in each period as determined by the municipality.

12.3 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, debt collection and indigent policy of the municipality.

12.4 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, Debt Collection and indigent policy of the Municipality.

12.5 Arrears rates shall be recovered from tenants, occupiers and agents of the owner, in terms of section 28 and 29 of the Act as follows:

12.5.1 If an amount, due for rates levied on a property, is not paid by the owner by the due date as shown on the account and no reaction is forthcoming from the owner after two written reminders have been issued, the municipality shall recover the amount in full or partially as follows:

12.5.2 From the agent who is lawfully responsible to collect commission or rental in respect of the property concerned;

12.5.3 From a tenant or occupier of the property, only after an attempt was made to collect it from an agent refer to in 12.5.2 but such attempt was unsuccessful or no such agent exists or only a part of the outstanding amount could successfully be recovered.

12.5.4 The amount recoverable is limited to the amount as stipulated in the Act and it may only be recovered after written notice has been served on the party concerned (tenant, occupier or agent) of the rates due and payable, but not yet paid by owner of the property.

12.5.5 The notice referred to in 12.5.4 shall give the party concerned at least 14 calendar days to pay the outstanding rates.

12.6 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.

12.7 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. Thereafter, the phasing-in discount on these properties shall be as indicated in paragraph 14.2 above

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:

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 of who 3 shall be women 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, compliant with GRAP, 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 5 (five) years, with the option to extend the validity of the valuation roll to 7 (seven) years with the approval of the MEC for Local Government and Housing in the province.
- 16.2 Supplementary valuations will be done on a continual basis to ensure that the valuation roll is properly maintained which should be completed at least once a year.
- 16.3 The municipality holds the copyright over the information contained in the valuation roll.

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 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)

17.1.2 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. Property owners and interest persons may obtain a copy of the draft by-law from the municipal offices during office hours at a cost as determined annually by the municipality. Property owners and interest persons may submit written comments or representations to the municipality within the specified period in the notice.

17.1.3 Council will consider all comments and/or representations received when considering the finalisation of the rates by-law.

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,
- iii. Phasing-in of rates in terms of section 21, and
- iv. Exclusions as referred to in section 17.

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 every 6 months during the supplementary valuation process.

18.6 Part B of the register will be updated on a continuous basis.

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 legislation.

20. Short title

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

21. Commencement

This amended by-law comes into force and effect on 1 July 2019.

AUTHORIZED BY SIGNATURE

I, THE UNDERSIGNED, CLLR L B MOGALE, SPEAKER, HEREBY CERTIFY THAT THIS PROPERTY RATES BY-LAW, 2020/2021 IS AN EXTRACT AS FILED IN THE OFFICIAL AGENDA OF THE 514th EXECUTIVE COMMITTEE MEETING HELD ON 22 JUNE 2020 AND APPROVED BY COUNCIL AT ITS 153rd SPECIAL MEETING HELD ON 26 JUNE 2020 UNDER COUNCIL RESOLUTION A.59.26.06.20.

.....
CLLR L B MOGALE

.....
DATE

Civic Center, No 83 Krogh Street
MAKHADO

File No. 1/1/90
Notice No. 65 of 2020
Date of Publication: 10 July 2020

MR N F TSHIVHENGWA
MUNICIPAL MANAGER



MAKHADO LOCAL MUNICIPALITY

CREDIT CONTROL AND DEBT COLLECTION BY- LAWS, 2020/2021

(Approved by Council Resolution A.59.26.06.20)

Vision: "A dynamic hub for socio-economic development by 2050"

Mission: "To ensure effective utilization of economic resources to address socio-economic imperatives through mining, agriculture and tourism"

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MAKHADO LOCAL MUNICIPALITY

FINAL CREDIT CONTROL AND DEBT COLLECTION BY- LAWS, 2020/2021

(Council Resolution A.59.26.06.20)

To give effect to the Municipality's credit control and debt collection policy, its implementation and enforcement in terms of section 156(2) of the Constitution of the Republic of South Africa, 1996 and section 96 and 98 of the Municipal Systems Act, 2000; to provide for the collection of all monies due and payable to the Municipality; and to provide for matters incidental thereto.

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1. Definitions

In this By-law, unless the context indicates otherwise—

"Arrangement" means a written agreement entered into between the Municipality and a debtor where specific terms and conditions for the payment of a debt are agreed to;

"Arrears" means any amount due and payable to the Municipality and not paid by the due date;

"Council" means the council of the Municipality;

"Councillor" means a member of the Council;

"Debt" means any monies owing to the Municipality and includes monies owing in regard to property rates, housing, motor vehicle registration and licensing, leases, and any other outstanding amounts, inclusive of any interest thereon, owing to the Municipality;

"**Debtor**" means any person who owes a debt to the Municipality;
"**Due date**" means the final date on which a payment, as shown on the debtor's municipal account or in terms of a contract is due and payable;
"**Indigent debtor**" means a debtor who meets certain criteria, as determined by the Municipality from time to time;
"**Interest**" means a rate of interest, charged on overdue accounts which is one percent higher than the prime rate, which is obtainable from the Municipality's banker on request; .
"**Municipality**" means the Makhado Municipality and includes any duly delegated official or service provider of the Municipality;
"**Official**" means an "official" as defined in section 1 of the Local Government: Finance Management Act, No. 56 of 2003;
"**Policy**" means the Municipality's credit control and debt collection policy;
"**Service**" means "municipal service" as defined in section 1 of the Systems Act, and includes a function listed in Schedules 4B and 5B of the Constitution of the Republic of South Africa, 1996 and any other service rendered by the Municipality;
"**Systems Act**" means the Local Government: Municipal Systems Act, No. 32 of 2000;
"**Third party debt collector**" means any person or persons authorised to collect monies or institute legal proceedings against debtors, on behalf of the Municipality;
"**This By-law**" includes the Credit Control and Debt Collection Policy;
"**User**" means a person who has applied for and entered into an agreement with the Municipality for the supply of a service.

2. Duty to collect debt

All debt owing to the Municipality must be collected in accordance with this By-law and the policy.

3. Provision of services

New applications for services and the provision of new services must be dealt with as prescribed in this By-law and the policy.

4. Service agreement

Except as otherwise determined in terms of this By-law and the policy, no services may be supplied until an agreement has been entered into between the Municipality and the user for the supply of a service. The consumer must provide the Municipality with a South African barcoded ID before entering into a contract with the Municipality. The Municipality will not enter into an agreement with a new occupier if the previous occupier's account is not paid and settled in full.

5. Deposits

The Municipality may determine and require the payment of deposits for the provision of new services and the reconnection of services and may adjust the amount of any existing deposit.

6. Interest charges

The Municipality may charge and recover interest in respect of any arrear debt as prescribed in this By-law and policy. Where a debt is overdue for part of a month, interest will be calculated for a full month.

7. Arrangements to pay arrears

- (1) The Municipality may make arrangements with a debtor to pay any arrear debt under conditions as prescribed in terms of this By-law and the policy.
- (2) Should any dispute arise as to the amount of the arrear debt, the debtor must nevertheless continue to make regular payments, in terms of the arrangement, until such time as the dispute has been resolved.
- (3) Only the account holder may sign and enter into a payment arrangement with the municipality
- (4) A minimum amount not less than 50% and not exceeding 70% of the arrear amount will be payable by all consumers of services (prepaid and conventional) and ratepayers, prior to entering into a payment arrangement, depending on the accountholder's payment history.

8. Agreements with a debtor's employer

- (1) The Municipality may—
 - (a) With the consent of a debtor, enter into an agreement with that person's employer to deduct from the salary or wages of that debtor—
 - (i) Any outstanding amounts due by the debtor to the Municipality, or
 - (ii) Regular monthly amounts as may be agreed; and
 - (b) Provide special incentives for—
 - (i) Employers to enter into such agreements; and
 - (ii) Debtors to consent to such agreements.
- (2) The municipal debt of officials or councillors of the Municipality may by agreement be deducted from their salaries if such official or councillor is more than one month in arrears.

9. Power to restrict or disconnect supply of service

- (1) The Municipality may restrict or disconnect the supply electricity (both conventional and prepaid) of any service to the premises of any user whenever such user of a service—
 - (a) Fails to make payment on the due date;
 - (b) Fails to comply with an arrangement; or
 - (c) Fails to comply with a condition of supply imposed by the Municipality;
 - (d) Tenders a negotiable instrument which is dishonoured by the bank, when presented for payment;
 - (e) Damages the infrastructure of the Municipality for the supply of such service or tampers with any meters used regarding that service.
- (2) The Municipality may reconnect the restricted or discontinued services only—

- (a) After the arrear debt, including the costs of disconnection or reconnection, if any, has been paid in full and any other conditions have been complied with; or
 - (b) After an arrangement with the debtor has been concluded.
- (3) The Municipality may restrict, disconnect or discontinue any service in respect of any arrear debt.

10. Recovery of debt

Subject to section 9, the Municipality may, with regards to rates and other debt-

- (a) By legal action recover any debt from any person; and
- (b) Recover debt from any organ of state with due consideration of the provisions of Chapter 3 of the Constitution of the Republic of South Africa, 1996; and may refer a debtor to third party debt collection agencies and have such debtor placed on the National Credit Rating list.

11. Recovery of costs

The Municipality may recover the following costs, in instances where such costs are incurred by or on behalf of the Municipality:

- (a) Costs and administration fees where payments made to the Municipality by negotiable instruments are dishonoured by banks when presented for payment;
- (b) Legal and administration costs, including attorney-and-client costs and tracing fees incurred in the recovery of debts;
- (c) Restriction, disconnection and reconnection fees, where any service has been restricted or disconnected as a result of non-compliance with these By-laws;
- (d) Any losses the Municipality may suffer as a result of tampering with municipal equipment or meters; and
- (e) Any collection commission incurred.

12. Attachment

The Municipality may, in order to recover debt approach a competent court for an order to attach a debtor's movable or immovable property.

13. Claim on rental for outstanding debt

The Municipality may in terms of section 28 of the Municipal Property Rates Act, 2004 (Act No 6 of 2004), attach any rent due in respect of any rateable property, to cover in part or in full any amount in respect of outstanding rates after the due date.

14. Full and final settlement payments

Where an account is not settled in full, any lesser amount tendered to, and accepted by, the municipality shall not be a full and final settlement of such an account despite the fact that the payment was tendered, in full and final settlement, unless the municipal manager or the manager of the municipality's

authorised agent, expressly accepts it in writing as being in full and final settlement of the account in question.

15. Consolidation of debtor's accounts

The Municipality may-

- (a) Consolidate any separate accounts of a debtor;
- (b) Credit a payment by a debtor against any account of the debtor; and
- (c) Implement any measures provided for in these By-laws and the policy; in relation to any arrears on any of the accounts of such debtor.

16. Indigents

A debtor, who can prove indigence, will be dealt with as prescribed in the policy.

17. Delegation

The Municipality may delegate its powers in terms of the By-law or the policy to any official or service provider of the Municipality.

18. Offences and penalties

Any person who—

- (a) Obstructs or hinders any councillor or official of the Municipality in the execution of his or her duties under these By-laws or the policy;
- (b) Unlawfully uses or interferes with Municipal equipment or consumption of services supplied;
- (c) Tampers with any Municipal equipment or breaks any seal on a meter;
- (d) Fails to comply with a notice served in terms of this By-law or the policy;
- (e) Supplies false information regarding the supply of services or with regard to an application for assistance as an indigent, shall be guilty of an offence and on conviction liable to the payment of a fine not exceeding one thousand rand or imprisonment for a period not exceeding 3 months or to such imprisonment without the option of a fine or to both such fine and such imprisonment.

19. Indemnification from Liability

Neither an employee of the municipality nor any person, body, organisation or corporation acting on behalf of the municipality are liable for any damage arising from any omission or act done in good faith in the course of his or its duties.

20. Operative clause

These by-laws will commence on publication thereof in the Provincial Gazette.

21. Repeal of By-Laws

The provisions of any by-laws relating to credit control and debt collection by the municipality are hereby repealed insofar as they relate to matters provided for in these by-laws and policy.


22. Short title

These By-laws is called the Credit Control and Debt Collection By-laws of the Makhado Local Municipality, 2020/2021.

AUTHORIZED BY SIGNATURE

I, THE UNDERSIGNED, CLLR L B MOGALE, SPEAKER, HEREBY CERTIFY THAT THIS CREDIT CONTROL AND DEBT COLLECTION BY-LAWS, 2020/2021 IS AN EXTRACT AS FILED IN THE OFFICIAL AGENDA OF THE 514th EXECUTIVE COMMITTEE MEETING HELD ON 22 JUNE 2020 AND APPROVED BY COUNCIL AT ITS 153rd SPECIAL MEETING HELD ON 26 JUNE 2020 UNDER COUNCIL RESOLUTION A.59.26.06.20.


.....
CLLR L B MOGALE


.....
DATE

Civic Center, No 83 Krogh Street
MAKHADO

File No. 1/3/55
Notice No. 66 of 2020
Date of Publication: 10 July 2020

MR N F TSHIVHENGWA
MUNICIPAL MANAGER