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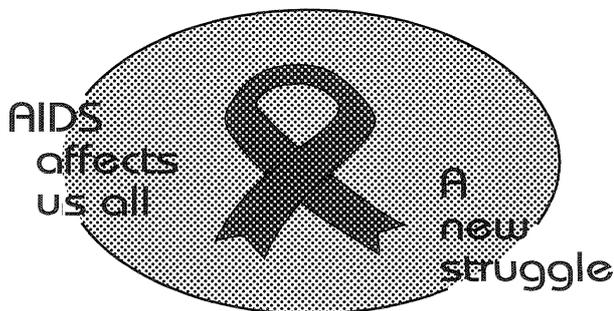
**Vol. 8**

**PIETERMARITZBURG,**

15 APRIL 2014  
15 kuMBASA 2014

**No. 1133**

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**MUNICIPAL NOTICES**

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**No. 26**

**15 April 2014**

# **UMZIMKHULU MUNICIPALITY**



## **PROPERTY RATES BY-LAWS**

### **DRAFT 2013/2014**

## UMZIMKHULU MUNICIPALITY

### PROPERTY RATES BY-LAWS

#### 1. LEGISLATIVE CONTEXT

1.1 Whereas Section 6 of the Municipal Property Rates Act, 2004(No. 6 of 2004) requires a Municipality to adopt by-laws to give effect to the implementation of its Property Rates Policy.

1.2 Now therefore the Municipal Council of Umzimkhulu Local Municipality approves and adopts the following Property Rates by-laws.

#### 2. DEFINITIONS

<b>Agent</b>	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;
<b>Agricultural purposes</b>	In relation to the use of a property , excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game
<b>Annually</b>	Once every financial year.
<b>Appeal board</b>	Means a valuation appeal board established in terms of Section 56.
<b>Assistant Municipal Valuer</b>	A person designated as an assistant municipal valuer in terms of Section 35(1) or (2).
<b>Category</b>	In relation to property, a category of properties determined in terms of Section 8; In relation to owners of properties, means a category of owners determined in terms of Section 15(2)
<b>Data-collector</b>	A person designated as a data- collector in terms of section 36
<b>Date of valuation</b>	The date determined by a municipality in terms of Section 31(1)
<b>District Management Area</b>	A part of a district municipality which in terms of Section 6 of the Municipal

	Structures Act has no local municipality and is governed by that Municipality alone.
<b>DistrictMunicipality</b>	A municipality that has municipal executive and legislative authority in an area that includes more than one municipality, and which is described in Section 155 (1) of the Constitution as a category C Municipality.
<b>Effective date</b>	<p>a) In relation to a valuation roll, means the date on which the valuation roll takes effect in terms of Section 32(1); or</p> <p>b) In relation to a supplementary valuation roll, means the date on which a supplementary valuation roll takes effect in terms of Section 78(2)(b)</p>
<b>Exclusion</b>	In relation to a municipality's rating power, means a restriction of that power as provided for in Section 17
<b>Exemption</b>	In relation to the payment of a rate, means an exemption granted by a municipality in terms of Section 15
<b>Financial year</b>	Means the period starting from 1 July in a year to 30 June the next year.
<b>Income Tax Act</b>	The Income Tax Act, 1962 (Act No. 58 of 1962)
<b>"Indigent"</b>	A household with a calculated income not exceeding R2000.00 per month.
<b>Land reform beneficiary</b>	<p>In relation to a property, means a person who:-</p> <p>a) acquired the property through-</p> <p>i) the Provision of Land and Assistance Act, 1993 (Act No. 126 of 1993); or</p> <p>ii) the Restitution of Land Rights Act, 1994 (Act No. 22 of 1944);</p> <p>b) holds the property subject to the Communal Property Associations Act, 1996 (Act No. 28 of 1996); or</p> <p>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 be enacted after this Act has taken effect.</p>
<b>Land Tenure right</b>	An old order right or a new order right as defined in Section 1 of the Communal Land

	Rights Act, 2004.
<b>Local community</b>	In relation to a municipality- a) means that body of persons comprising- i) the residents of the municipality; ii) the ratepayers of the municipality; iii) any civic organisations and non-governmental, private sector or labour organisations or bodies which are involved in local affairs within the municipality; and iv) visitors and other people residing outside the municipality who, because of their presence in the municipality, make use of services or facilities provided by the municipality; and b) includes, more specifically, the poor and other disadvantaged sections of such body of persons.
<b>LocalMunicipality</b>	A municipality that shares municipal executive and legislative authority in it's area with a district municipality within whose area it falls, and which is described in Section 155(1) of the Constitution as a category B municipality.
<b>Market Value</b>	In relation to a property, means the value of the property determined in accordance with Section 46.
<b>MEC for local government</b>	The member of the Executive Council of a province who is responsible for local government in that province.
<b>MetropolitanMunicipality</b>	A municipality that has exclusive executive and legislative authority in it's area, and which is described in Section 155(1) of the Constitution as a category A municipality.
<b>Minister</b>	The cabinet member responsible for local government
<b>MPRA</b>	Municipal Property Rates Act No. 6 of 2004 and the Regulations framed there under.
<b>Multiple purposes</b>	In relation to a property, means the use of a property for more than one purpose.
<b>Municipal Council or Council</b>	A municipal council referred to in Section 18 of the Municipal Structures Act.
<b>Municipal Finance Management Act</b>	The Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

<b>Municipality</b>	<p>a) as a corporate entity, means a municipality described in Section 2 of the Municipal Systems Act; and</p> <p>b) as a geographical area, means a municipal area demarcated in terms of the Local Government: Municipal Demarcation Act, 1988 (Act No. 27 of 1988);</p>
<b>Municipal Manager</b>	A person appointed in terms of Section 82 of the Municipal Structures Act;
<b>Municipal Structures Act</b>	The Local Government : Municipal Structures Act, 1988 (Act No. 117 of 1998).
<b>Municipal Systems Act</b>	The Local Government: Municipal Systems Act 2000 (Act No. 32 of 2000).
<b>Municipal Valuer or Valuer of a Municipality</b>	A person designated as a municipal valuer in terms of Section 33(1);
<b>Newly rateable property</b>	<p>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</p> <p>a) a property which was incorrectly omitted from a valuation roll and for that reason was not rated before that date; and</p> <p>b) a property identified by the Minister by notice in the Gazette where the phasing-in of a rate is not justified.</p>
<b>Occupier</b>	In relation to a property, means a person in actual occupation of a property, whether or not that person has a right to occupy the property;
<b>Organ of State</b>	An organ of state as defined in Section 239 of the Constitution.
<b>Owner</b>	<p>a) In relation to a property referred to in paragraph of the definition of property, means a person in whose name ownership of the property is registered;</p> <p>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;</p> <p>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</p>

	<p>granted in terms of legislation; or</p> <p>Definition of property, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of "publicly controlled",</p> <p>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:</p> <ul style="list-style-type: none"> <li>i) A trustee, in the case of a property in a trust excluding state trust land;</li> <li>ii) An executor or administrator, in the case of a property in a deceased estate;</li> <li>iii) A trustee or liquidator, in the case of a property in the estate of a person under judicial management;</li> <li>iv) A curator, in the case of a property in the estate of a person under curatorship;</li> <li>v) A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is registered in the name of the municipality and is leased by it; or</li> <li>vi) 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;</li> </ul>
<b>Permitted use</b>	<p>In relation to a property, means the limited purposes for which the property may be used in terms of</p> <ul style="list-style-type: none"> <li>a) any restrictions imposed by- <ul style="list-style-type: none"> <li>i) a condition of title;</li> <li>ii) a provision of a town planning or land use scheme; or</li> <li>iii) any legislation applicable to any specific property or properties; or</li> </ul> </li> <li>b) any alleviation of any such restrictions;</li> </ul>
<b>Person</b>	Includes an organ of state.
<b>Property</b>	a) immovable property registered in the

	<p>name of a person, including, in the case of a sectional title unit registered in the name of a person/legal entity;</p> <p>b) a right registered against immovable property in the name of a person/legal entity, excluding a mortgage bond registered against the property;</p> <p>c) a land tenure right registered in the name of a person/legal entity or granted to a person/legal entity in terms of legislation; or</p> <p>d) public service infrastructure;</p>
<b>Property Register</b>	A register of properties referred to in Section 23.
<b>Protected area</b>	An area that is or has to be listed in the register referred to in Section 10 of the Protected Areas Act.
<b>Protected Areas Act</b>	The National Environmental Management: Protected Areas Act, 2003
<b>Publicly controlled</b>	<p>Owned by or otherwise under the control of an organ of state, including</p> <p>a) a public entity listed in the Public Finance Management Act, 1999 (Act No.1 of 1999);</p> <p>b) A municipality; or</p> <p>c) A municipal entity as defined in the Municipal Systems Act</p>
<b>Public Service Infrastructure</b>	<p>Publicly controlled infrastructure of the following kinds:</p> <p>a) National, provincial or other public roads on which goods, services or labour move across a municipal boundary;</p> <p>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;</p> <p>c) Power stations, power substations or power lines forming part of an electricity scheme serving the public.</p> <p>d) Gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a national railway system;</p>

	<p>e) Communication towers, masts, exchanges or lines forming part of a communication system serving the public;</p> <p>f) Runways or apron at national or provincial airports;</p> <p>g) 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;</p> <p>h) Any other publicly controlled infrastructure as may be prescribed; or</p> <p>i) Rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) and (i)</p>
<b>Rate</b>	A municipal rate on property envisaged in section 229 (1) (a) of the Constitution;
<b>Rateable property</b>	Property on which a municipality may in terms of Section 2 levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17
<b>Rebate</b>	In relation to a rate payable on a property, means a discount granted in terms of Section 15 on the amount for which the property was valued and the rating of the property at that lower amount.
<b>Register</b>	<p>a) means to record in a register in terms of –</p> <p>i) the Deeds Registries Act, 1937 (Act No. 47 of 1937); or</p> <p>ii) the Mining Titles Registration Act, 1967 (Act No. 16 of 1967); and</p> <p>b) Includes any other formal act in terms of any other legislation to record-</p> <p>i) a right to use land for or in connection with mining purposes; or</p> <p>ii) a land tenure right;</p>

<b>Residential property</b>	A property included in a valuation roll in terms of Section 48 (2) (b) as residential.
<b>Sectional Titles Act</b>	The Sectional Titles Act, 1986 (Act No. 95 of 1986)
<b>Sectional Title Scheme</b>	A scheme defined in Section 1 of the Sectional Titles Act;
<b>Sectional title unit</b>	A unit defined in Section 1 of the Sectional Titles Act
<b>Specified public benefit activity</b>	An activity listed in item 1 (welfare and humanitarian), item 2 (health care) and item 4 (education and development) of Part 1 of the Ninth Schedule to the Income Tax Act.
<b>StateTrustLand</b>	Land owned by the state- <ul style="list-style-type: none"> <li>a) in trust for persons communally inhabiting the land in terms of a traditional system of land tenure;</li> <li>b) over which land tenure rights were registered or granted; or</li> <li>c) which is earmarked for disposal in terms of the Restitution of Land Rights Act, 1994 (Act No. 22 of 1994)</li> </ul>

### 3. APPLICATION OF THESE BY-LAWS.

3.1 In imposing the rate in the rand for each annual operating budget component, the Municipality shall grant ex emptions, rebates and reductions to the categories of properties and categories of owners as allowed for in these by-laws.

### 4. DIFFERENT CATEGORIES OF PROPERTY

Section 8 of the Act provides for different categories of property that may be adopted by Municipalities for the purpose of levying different rates and/or exemptions and rebates. UM Council has adopted the following categories:

- i) Residential properties.
- ii) Residential properties used for commercial purposes.
- iii) Residential properties used illegally for commercial purposes.
- iv) Industrial, business and commercial properties including privately run institutions.
- v) Agricultural properties used for agricultural purposes
- vi) Agricultural properties used for other business and commercial purposes.

- vii) Agricultural properties used for residential purposes.
- viii) Agricultural properties not used for any purpose
- ix) State owned properties.
- x) Municipal properties.
- xi) Public service infrastructure.
- xii) Informal settlements.
- xiii) Communal land as defined in section 1 of the Communal Land Rights Act, 2004.
- xiv) State trust land.
- xv) Properties acquired through the provision of the Land Assistance Act 1993 (Act No. 126 of 1993), or the Restitution of Land Rights Act 1994 (Act No. 22 of 1994).
- xvi) Properties which are subject to the Communal Property Associations Act 1996 (Act No. 28 of 1996).
- xvii) Protected areas.
- xviii) Properties on which national monuments are proclaimed.
- xix) Properties owned by public benefit organisations and used for any specific public benefit activities listed in Part 1 of the Ninth Schedule to the Income Tax Act.
- xx) Vacant land.
- xxi) Multiple use properties.

## **5. CRITERIA FOR EXEMPTION, REBATES AND REDUCTIONS**

The criteria used for the purpose of rates exemption, rebates and reductions are as follows:

- i) Indigent status of the owner of a property.
- ii) Sources of income of the owner of a property.
- iii) Pensioner's ability to pay.
- iv) Social or economic conditions of the area where the owners of property is located for example an area declared by the National or Provincial Government to be a disaster area within the meaning of Disaster Management Act, 2002 to the extent that the significantly negatively affected.
- v) Market value of residential property below a determined threshold.

## **6. Properties qualifying for Exemption**

### **6.1.1 Protected areas and environmentally sensitive areas**

In terms of Section 17 (1)(e) of the MPRA, the Municipality may not levy a rate on those parts of a special nature reserve, national park or nature reserve within the meaning of the Protected Areas Act, or of a national botanical garden within the meaning of the National

Environmental Management Biodiversity Act, 2004, which are not developed or used for commercial, business, agricultural or residential purposes. In addition, Section 17(2)(a) states that the exclusion from rates of a property referred to in Section 17(1)(e) lapses the declaration of that property as a special nature reserve, national part, nature reserve or national botanical garden, or as part of such a reserve, park or botanical garden is withdrawn in terms of the applicable Act mentioned in that Section 17(1)(e).

In addition to these areas, the UM Council will exempt from rates any environmentally sensitive area that is recognised as such by the Council. When such an area is located on part of a property that has other land use types, then rates will only be portioned to the other types if applicable. Applications in this regard must be made to the Council for recognition and approval of the environmentally sensitive areas.

i. Land reform beneficiaries

Section 17(1)(g) states that a property belonging to a land reform beneficiary or his or her heirs, shall be excluded from rates, provided that this exclusion lapses ten years from the date on which such beneficiary's title was registered in the office of the Registrar of Deeds. In terms of Section 21(1)(b) the rates on these properties must be phased in over a period of 3 years.

ii. Properties used for housing purposes

Section 17(1)(h) of the Act specifies that properties of values less than R15 000 are exempt from rates. The Act gives flexibility to Municipalities to determine their own threshold value to qualify for rates exemption. The UM Council has decided to increase the

amount of R15 000 to R50 000, which amount is roughly equivalent to the Department of Housing subsidy for low cost housing units. This means that values of all residential properties will be reduced by R50 000 before property rates are calculated for each property.

iii. Places of Worship

Section 17(1)(i) states that the municipality may not levy a rate on properties registered in the name of and used primarily as a place of public worship by a religious community, including an official residence registered in the name of that community which is occupied by an office-bearer of that community who officiates at services at that place of worship. The exemption will be based on submitted application forms from the place of worship.

## **7. Properties qualifying for rebates**

### **7.1.1 Newly Rateable Properties**

The rates for all newly rateable properties will be phased in over a period of 3 years according to the following percentages:-

- 75% discount for 2013/2014.
- 50% discount for 2014/2015.
- 25% discount for 2015/2016.

### **7.1.2 Public Service Infrastructure**

The UM Council recognises that public service infrastructure e.g. infrastructure owned by Telkom, Eskom, South African National Roads Agency Limited (SANRAL) plays a significant role in the growth and sustainability of the economy of Umzimkhulu Municipality.

Accordingly, the Umzimkhulu Municipality has granted a 30% rebate on the market value of public service infrastructure. This exemption applies to properties and services infrastructure.

### **7.1.3 State properties**

The following state properties will be entitled to a 10% rebate:

- 
- i) Clinics.
  - ii) Local hospitals.
  - iii) Police stations.
  - iv) Magistrate's courts.
  - v) All public schools.
  - vi) Local offices of any Government department e.g. Department of Home Affairs.

#### 7.1.4 Agricultural properties

Section 3(4) of the Act states that if a Municipality is intending to grant relief measures like exemptions, rebates or reductions on properties used for agricultural purposes, it must take into account the extent of services provided by the municipality in respect of such properties, the contribution of agriculture to the local economy, the extent to which agriculture assists in meeting the service delivery and development obligations of the municipality and the contribution of agriculture to the social and economic welfare of farm workers.

Upon receipt of an agricultural certificate a rebate will be granted to an owner.

All agricultural property will enjoy phasing-in discounts over a three-year period i.e.

- 75% discount for 2013/2014.
- 50% discount for 2014/2015.
- 25% discount for 2015/2016.

#### 7.1.5 Residential properties that are part of a township

The phasing-in discount covered in Section 21 of the Act applies to all newly created subdivisions used for residential purposes where the parent property was not previously rated. The practical application of this section of the Act is as follows:

- i) A land parcel or land parcels that have been earmarked for development into smaller land parcels, will be liable for rates according to their existing zoning or land use up until the township register is opened in the Surveyor-General's Office.

The opening of a township register indicates that all the services have been constructed and all the land parcels are capable of being transferred to new owners.

- ii) At the opening of the township register, all individual properties will be liable for rates according to their status as fully developed properties i.e. properties with a top structure or as vacant serviced land.

The phasing-in discount over three financial years will apply from the date that the township register is opened. This discount will be applied to the owner of the property. For example, if a developer owns the properties and has built houses on all the properties and sells a particular house three months after the

township register has been opened, the developer is liable for three months of the rates due at a discount of 75% and the new owner will then enjoy the 75% of the discount for the remaining nine months of the first year and then the remaining portion of the phasing-in discount for a further period of two years.

#### 7.1.6 Residential properties that are part of a gated community

In future gated communities where property owners are all members of an association and that association is, by agreement of its members and the UM Council, responsible for the maintenance and replacement of all or part its services to the community, a rebate will be allowed by the Council. This rebate will be determined according to the percentage of services provided by the Council in accordance with the standards and costs of services supplied by Council in the particular financial year.

#### 7.1.7 Commercial and Industrial Properties

All commercial and industrial properties that are currently subject to a services agreement with Council will be entitled to a rebate varying between 75% and 25%, as specified in the agreement.

Council can in exceptional circumstances enter into service level agreements for industrial and manufacturing industries, where specific benefits will accrue to communities. The criteria for measuring these benefits will be determined and specified by Council.

### **8. Owners Qualifying For Exemptions**

#### **i. Indigent persons**

Any indigent person who owns property valued at below R50 000.00 will be exempted from paying rates. Indigent person who earns less than R 2 500 per month will be exempted.

#### **ii. Public Benefit Organisations**

Any organisation that is registered as a Public Benefit Organisation, in terms of the Income Tax Act, will be granted a 100% rebate.

## **9. Owners Qualifying For Rebates**

### **i. Recipients of old age pensions and disability grants**

Owners of property who are permanent residents and who are recipients of an old age pension or a disability grant from the Government will be exempted from paying rates provided that the entire household income does not exceed R30 000.00p.a. provided that the value of the property owned and occupied is less than R50 000.00.

Applicants for these exemptions must submit proof that they are recipients of these grants.

### **ii. Pensioners**

Council may annually consider granting a rebate to any category of pensioner who is a permanent resident and over 65 years. The value of the rebate will be at the discretion of Council, provided such rebate shall not exceed 25%.

Applicants for such rebates must submit sworn affidavits concerning their income status to UM.

The income status of applicants may be confirmed by the relevant Ward Councillor.

## **10. Payment Of Rates**

10.1. The rates levied on the properties shall be levied and payable on a monthly basis;

10.2 The municipality shall determine the due dates for payments and this date shall appear on the accounts forwarded to the owner/ tenant/ occupants/ agent;

10.3 Interest on arrears rates shall be calculated in accordance with the provisions of the Credit Control and Debt Collection Policy of the Municipality.

10.4 If a property owner who is responsible for the payment of property rates in terms of these by-laws, 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 Policy of the Municipality.

10.5 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:-

10.5.1 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:-

- I) From the agent who is lawfully responsible to collect commission or rental in respect of the property concerned;
- II) From a tenant or occupier of the property, only after an attempt was made to collect it from an agent referred to in 10.5.2. but such attempt was unsuccessful or no such agent exists or only a part of the outstanding amount could successfully be recovered.

10.6 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.

10.7 The notice referred to in 10.6 shall give the party concerned at least 14 calendar days to pay the outstanding rates.

10.8 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.

10.9 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 in terms of the municipality's Credit Control and Debt Collection Policy.

10.10 When levying rates, a municipality must levy the rate for a financial year, and this rate lapses at the end of the financial year for which it was levied:

- (i) The levying of rates must form part of a municipality's annual budget process, and at the time of its budget, review the amount in the Rand of its current rates in line with its annual budget for the next financial year.
- (ii) A rate levied for a financial year may be increased during a financial year only when required in terms of a financial recovery plan (Section 28(6) of the MFMA).
- (iii) A rate becomes payable as from the start of a financial year.

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

Rates are levied in accordance with the MPRA as an amount in the rand based on the market value of all rateable property as reflected in the valuation roll and any supplementary valuation roll.

### **11. Account To Be Finished**

11.1 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.

11.2 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.

11.3 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 provided the owners grant consent.

### **12. Frequency Of Valuation**

12.1 The municipality shall prepare a new valuation roll every 4 (four) years, with the option to extend the validity of the valuation roll to 5 (five) years with the approval of the MEC for Local Government and Housing in the province.

12.2 In accordance with the Act the municipality, under exceptional circumstances, may decide to extend the validity of the valuation roll to 5 (five) years by applying for approval to the MEC for Local Government and Housing in the province.

12.3 Supplementary valuations may be done on a continual basis but at least on an annual basis.

### **13. Regulation Review Processes**

The Property Rates by-laws shall 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.

### **14. Offences And Penalties.**

Anyone who provides false information in contravention of these by-laws shall be guilty of an offence and if found guilty shall be liable to a fine not exceeding a fine for such an offence as stated in the Adjustment of Fines Act or to imprisonment for a period not exceeding 6 (six) months.

### **15. Short Title**

15.1 These By-Laws may be cited as The Municipal Property Rates By-Laws.

15.2 These by-laws shall come into operation on the date on which they are Published in the Gazette.



# UMZIMKHULU MUNICIPALITY

## TARIFF BY-LAWS

### FINAL 2013/2014

## **UMZIMKHULU MUNICIPALITY: TARIFF BY-LAW 2013**

### **TARIFF BY-LAW 2013**

To provide for the adoption and implementation of a tariff policy; for the power to levy and recover fees, charges and tariffs and for matters incidental thereto.

### **PREAMBLE**

**WHEREAS** section 229(1) of the Constitution authorises a municipality to impose

- (a) Rates on property and surcharges on fees for services provided by or on behalf of a municipality ; and
- (b) If authorised by national legislation, other taxes, levies and duties appropriate to local government or to the category of local government into which that municipality falls;

**WHEREAS** section 75A of the Local Government: Systems Act, 2000 (Act 32 of 2000) authorizes a municipality to levy and recover fees, charges or tariffs in respect of any function or service of the municipality, and to recover collection charges and interest on any outstanding amount.

**WHEREAS** in terms of section 74(1) of the Systems Act, a municipal council must adopt and implement a tariff policy on the levying of fees for a municipal service provided by the municipality or by way of service delivery agreements which complies with the provisions of the Systems Act, the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and any other applicable legislation.

**WHEREAS** in terms of section 75(1) of the Systems Act, a municipal council must adopt by-laws to give effect to the implementation and enforcement of its tariff policy

**WHEREAS** in terms of section 75(2) of the Systems Act, by-laws adopted in terms of subsection 75(1) may differentiate between different categories of users, debtors, service providers, services, service standards and geographical areas as long as such differentiation does not amount to unfair discrimination.

Notice is hereby given in terms of section 13 of the Local Government : Municipal Systems Act, 2000 (Act 32 of 2000) that the Council of UMzimkhulu Municipality has made the bylaws set out hereunder:

**NOW THEREFORE** be it enacted by the Municipality of UMzimkhulu as follows:

### **1. Interpretation**

In this By-laws, unless the context otherwise indicates-

“**Municipality**” means the UMzimkhulu Municipality;

“**tariff policy**” means a tariff policy adopted by the Municipality in terms of the Systems Act and this By-laws;

“**Constitution**” means the Constitution of the Republic of South Africa, 1996 (Act 107 of 1996);

“**Credit Control and Debt Collection By-laws and Policy**” means the Municipality’s Credit Control and Debt Collection By-laws and Policy as required by sections 96(b), 97 and 98 of the Systems Act;

“**Systems Act**” means the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000).

“**tariff**” means fees, charges, or any other tariffs levied by the Municipality in respect of any function or service provided by the Municipality, excluding rates levied by the Municipality in terms of the Local Government : property Rates Act, 2004 (Act 6 of 2004).

### **2. Application**

Adoption and Implementation of Tariffs Policy

2.(i) The municipality must adopt and implement a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with provisions of the Municipal System Act, the Municipal finance Management Act and any other applicable legislation.

(ii) The tariff policy adopted in terms of subsection (1) must be reviewed annually by the Municipality .

(iii) The Municipality shall not be entitled to impose tariffs other than in terms of a valid tariff policy.

### **3.Tariff Policy**

3.(1) The Municipality's tariff policy applies to all tariffs imposed by the a municipality .

3.(2) The Tariff policy must reflect the principles referred to in the Municipal System Act ,namely that

(a) Users of municipal services should be treated equitably in the application of tariffs;

(b)The amount individual users pay for municipal services should generally be in proportion to their used of that services;

(c) Poor households must have access to at least basic services through

- (i) Tariffs that cover only operating and maintenance cost;
- (ii) Special tariffs or life line tariffs for low level of use or consumption of services or for basic levels of service;
- (iii) Any other direct or indirect method of subsidisation of tariffs for poor households;

(d) Tariffs must reflect the costs reasonably associated with rendering the services ,including capital ,operating ,maintenance, administration and replacement cost, and interest charges ;

(e) Tariffs must be set at levels that facilitate the financial sustainability of the service taking into account subsidisation from sources other than service concerned ;

(f) Provision may be in appropriate circumstances for a surcharge on tariff for a services;

(g) Provision may be made for promotion of local economic development through special tariffs for categories of commercial and industrial users;

(h) The economical ,efficient and effective use of resources, the recycling of waste, and other appropriate environmental objectives must be encouraged; and

(i) The extent of subsidisation of tariffs for poor households and other categories of users should be fully disclosed.

### **3.4The municipality's tariffs policy must**

(a) Specify the manner in the referred to in subsection(2) are to be implemented;.

(b) Specify the basis of differentiation ,if any ,between different categories of users,debtors,service provider ,services, services standard ,geographical area and other matters as long as the differentiation does not amount to unfair discrimination; and

(c) Include any further enforcement mechanisms the municipality may wish to impose in addition to those contained in the Credit Control and Debt Collection By –Law and Policy .

#### **4. General Power to Levy and Recover fees, Charges and Tariffs**

4(1) The Municipality has the power to

- (a) Levy and recover fees, charges or tariffs in respect of any function or service of the municipality; and
- (b) Recover collection charges and interest on any outstanding amount.

4(2) Fees, charges and tariffs referred to in subsection (1) are levied by resolution passed by the municipal council with a supporting vote of majority of its members.

4(3) After a resolution contemplated in terms of subsection (2) has been passed, the municipal manager must, without delay,

- (a) Conspicuously display a copy of the resolution for a period of at least 30 days at the City Hall and at such other places within the municipality to which the public has access as the municipal manager may determine;
- (b) Publish in a newspaper of general circulation in the municipality a notice starting

4(4) Has been passed by the council;

(i) that a resolution as contemplated in subsection

- (ii) that a copy of the resolution is available for public inspection during Office hours at the City Hall and at the other places specified in

the notice; and

- (iii) The date on which the determination will come into operation; and

(c) Seek to convey the information referred to in paragraph (b) to the local community by means of radio broadcasts covering the area of the municipality.

5(4) The Municipal manager must forthwith send a copy of the notice referred to in subsection 3(b) to the MEC for local government concerned.

#### **5. Enforcement of Tariff policy**

5(1) The Municipality's tariffs policy shall be enforced through

- (a) Its Credit Control and Debt Collection By-Law and policy; and
- (b) Any other enforcement mechanism stipulated in the Tariff policy.

## 6. Delegations

6.(1) Subject to the constitution and applicable nation and provincial law ,any-

(a) Power ,excluding a power referred to in section 160(2) of the Constitution ;

(b) Duty conferred ,in terms of this By –Law ,upon the Council or on any of the Municipality’s other political structures, political office bearers councillors or staff members, to an entity within ,or a staff member employed by ,the Municipality.

6.(2) The delegation in terms of sub- section (1) must be effected in accordance with the system with the system of delegation adopted by the Council in accordance with section 59(1) of the Local Government: Municipal Systems Act ,2000 ( Act No. 32 of 2000),subject to the criteria set out in section 59(2) of said Act.”

6(3) Any delegation contemplated in this section must be recorded in the System of Delegations, which must contain information on the –

- (a) Entity or person issuing the delegation or sub-delegation;
- (b) Recipient of the delegation or sub- delegation; and
- (c) Conditions attached to the delegation or sub-delegation. Short Title and Commencement.

7.This By –Law is called the uMzimkhulu Municipality :Tariff By –Law , 2013, and takes effect on the date of the publication thereof in the Provincial Gazette or as otherwise indicated in the notice thereto.

**NOTICE – CHANGE OF TELEPHONE NUMBERS: GOVERNMENT PRINTING WORKS**

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

The new numbers are as follows:

- Switchboard : 012 748 6001/6002
- Advertising : 012 748 6205/6206/6207/6208/6209/6210/6211/6212
- Publications Enquiries : 012 748 6052/6053/6058 [GeneralEnquiries@gpw.gov.za](mailto:GeneralEnquiries@gpw.gov.za)
  - Maps : 012 748 6061/6065 [BookShop@gpw.gov.za](mailto:BookShop@gpw.gov.za)
  - Debtors : 012 748 6060/6056/6064 [PublicationsDebtors@gpw.gov.za](mailto:PublicationsDebtors@gpw.gov.za)
  - Subscription : 012 748 6054/6055/6057 [Subscriptions@gpw.gov.za](mailto:Subscriptions@gpw.gov.za)
- SCM : 012 748 6380/6373/6218
- Debtors : 012 748 6236/6242
- Creditors : 012 748 6246/6274

Please consult our website at [www.gpwonline.co.za](http://www.gpwonline.co.za) for more contact details.

The numbers for our provincial offices in Polokwane, East London and Mmabatho will not change at this stage.