CHRIS HANI DISTRICT MUNICIPALITY

CHRIS HANI
DISTRICT MUNICIPALITY
SUSTAINING GROWTH
THROUGH OUR PEOPLE

REVENUE MANAGEMENT BY-LAWS

2023/24

Chris Hani District Municipality

Revenue Management By-laws

Under section 156 of the Constitution of the Republic of South Africa, 1996 and section 75 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000), the Chris Hani District Municipality enacts as follows:-

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CHAPTER I: GENERAL

1. Definitions

"Agent" in relation to the owner of a property, shall mean a person appointed by the owner of the property to receive rental or other payments in respect of the property on behalf of the owner, or to make payments in respect of the property on behalf of the owner.

"Annual budget" shall mean the budget approved by the municipal council for any particular financial year and shall include any adjustments to such budget.

"Basic municipal services" shall mean a municipal service necessary to ensure an acceptable and reasonable quality of life, which service – if not provided – would endanger public health or safety or the environment.

"By-law" shall mean legislation passed by the council of the municipality, and which shall be binding on the municipality and on the persons and institutions to which it applies.

"Consumer price index" shall mean the CPIX as determined and gazetted from time to time by the South Bureau of Statistics.

"Councillor" shall mean a member of the council of the municipality.

"Domestic consumer/user" of municipal services shall mean the person or household which municipal services are rendered in respect of "residential property" as defined below.

"Financial year" shall mean the period starting from 1 July in any year and ending on 30 June on the following year.

"Integrated development plan" shall mean a plan formulated and approved as envisaged in Section 25 of the Municipal Systems Act 2000.

"Land reform beneficiary" in relation to a property, shall mean a person who acquired the property through the provision of Land and Assistance Act No. 126 of 1993 or the Restitution of Land Rights Act No. 22 of 1994, or who holds the property subject to the Communal Property Associations Act No. 29 of 1996, or who holds or acquires the property in terms of such other land tenure reform legislation as may be enacted.

"Local community" or "community" in relation to the municipality, shall mean that body of persons comprising the residents of the municipality, the ratepayers of the municipality, any civic organisations and non-governmental, private sector or labour organisations or bodies involved in local affairs within the municipality, and 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.

"Month" means one of twelve months of a calendar year.

"Municipality" or **"municipal area"** shall, where appropriate, mean the geographic area, determined in terms of the Local Government: Municipal Demarcation Act No. 27 of 1998 as the municipal area pertaining to the municipality.

"Municipal council" or "council" shall mean the municipal council as referred to in Section 157(1) of the Constitution.

"Municipal entity" shall mean

(a) a company, co-operative, trust, fund or any other corporate entity established in terms of any applicable national or provincial legislation, and which operates under the ownership control of one or more municipalities; or

(b) a service utility.

"Municipal manager" shall mean the person appointed in terms of Section 82 of the Municipal Structures Act, 1998.

"Multiple purposes" in relation to a property, shall mean the use of a property for more than one purpose.

"Municipal service" has the meaning assigned to it in terms of Section 1 of the Municipal Systems Act.

"Municipal tariff" shall mean a tariff for services which the municipality may set for the provision of a service to the local community, and may include a surcharge on such service. Tariffs for major services shall mean tariffs set for the supply and consumption or usage of water and sanitation, and minor tariffs shall mean al other tariffs, charges, fees, rentals or fines levied or imposed by the municipality in respect of other services supplied including services incidental to the provision of the major services.

"Occupier" in relation to a property, shall mean a person in actual occupation of the property, whether or not that person has a right to occupy the property.

"Owner" shall mean:-

(a) in relation to a property referred to in paragraph (a) of the definition of "property", shall mean 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", shall mean 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", shall mean a person in whose name the right is registered or to whom it was granted in terms of legislation; and

(d) in relation to public service infrastructure referred to in paragraph (d) of the definition of "property", shall mean 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 the Property Rates Act 2004 be regarded by the municipality as the owner of a property in the following cases:

(i) a trustee, in the case of a property in a trust, but excluding state trust land;

(ii) an executor or administrator, in the case of a property in a deceased estate;

(iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;

(iv) a judicial manager, in the case of a property in the estate of a person under judicial management;

(v) a curator, in the case of a property in the estate of a person under curatorship;

(vi) a 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 the municipality and is leased by it; and

(viii) a buyer, in the case of a property sold by the municipality and of which possession was given to the buyer pending registration of ownership in the name of such buyer.

"Permitted use" in relation to a property, shall mean the limited purposes for which the property may be used in terms of any restrictions imposed by a condition of title, a provision of the municipality's town planning or land use scheme, or any legislation applicable to any specific property or properties, or any alleviation of any such restrictions.

"Person" shall include an organ of state, and an "organ of state" shall mean an organ of state as defined in Section 239 of the Constitution.

"Property" shall mean:-

(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 the person, but 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; and

(d) public service infrastructure.

"Public service infrastructure" shall mean 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 servicing the public;

(c) power stations, power sub-stations 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 fuel forming part of the scheme for transporting such fuels;

(e) railway lines forming part of a national railway system;

(f) communication towers, masts, exchanges and lines forming part of a communication system serving the public;

(g) runways or aprons at national or provincial airports;

(h) breakwaters, seawalls, 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; and

(j) rights of way, easements or servitudes in connection with infrastructure mentioned in paragraphs (a) to (i).

"Publicly controlled" shall mean owned by or otherwise under the control of an organ of state, including a public entity listed in the Public Finance Management Act No. 1 of 1999, a municipality, or a municipal entity.

"Ratepayer" shall mean a person who is liable to the municipality for the payment of fees for services provided either by the municipality or in terms of a service delivery agreement.

"Residential property" shall mean a property included in the valuation roll in terms of Section 48(2)(b) of the Property Rates Act 2004 as residential.

"Sectional Titles Act" shall mean the Sectional Titles Act No. 95 of 1986, and

"Sectional title scheme" shall mean a scheme defined in Section 1 of that Act; and "sectional title unit" shall mean a unit as defined in Section 1 of that Act.

"Specified public benefit activity" shall mean an activity listed in item 1 (welfare and humanitarian), item 2 (healthcare) and item 4 (education and development) of Part 1 of the ninth schedule to the Income Tax Act No. 58 of 1962.

"State trust land" shall mean land owned by the state and held in trust for persons communally inhabiting the land in terms of a traditional system of land tenure; over which land tenure rights have been registered or granted; or which is earmarked for disposal in terms of the Restitution of Land Rights Act No. 22 of 1994.

2. Objective of by-laws

a) These by-laws are formulated and gazetted to give proper effect to the local municipality's policies on:

- Tariffs;
- Credit control and debt collection; and
- Indigent management.

b) These by-laws must be read in conjunction with the policies referred to, and within the applicable provisions of the following legislation:

- Water Services Act No. 108 of 1997;
- Local Government: Municipal Systems Act No. 32 of 2000;
- Local Government: Municipal Finance Management Act No. 56 of 2003; and
- Local Government: Municipal Property Rates Act No. 6 of 2004.

c) Copies of these policies, with the relevant annexures setting out the legal requirements and legal framework within which the by-laws must operate, appear on the municipality's website (address provided) and are available free of charge on application to the Office of the Municipal Manager (address provided).

CHAPTER II: TARIFFS

3. Objective of tariffs

In setting its annual tariffs the council shall at all times take due cognizance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.

4. General principles

a) Service tariffs imposed by the local municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the ability of the relevant consumer or user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the indigency relief measures approved by the municipality from time to time).

b) The municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region.

c) Tariffs for the two major services rendered by the municipality, namely:

- water
- Sanitation

shall as far as possible recover the expenses associated with the rendering of each service concerned, and – where feasible – generate a modest surplus as determined in each annual budget. Such surplus shall be applied for the future capital expansion of the service concerned, or both.

d) The tariff which a particular consumer or user pays shall therefore be directly related to the standard of service received and the quantity of the particular service used or consumed.

e) The municipality shall develop, approve and at least annually review an indigency support programme for the municipal area. This programme shall set out clearly the municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region.

f) In line with the principles embodied in the Constitution and in other legislation pertaining to local government, the municipality may differentiate between different categories of users and consumers in regard to the tariffs which it levies. Such differentiation shall, however, at all times be reasonable, and shall be fully disclosed in each annual budget.

g) The municipality's tariff policy shall be transparent, and the extent to which there is cross-subsidisation between categories of consumers or users shall be evident to all consumers or users of the service in question.

h) The municipality further undertakes to ensure that its tariffs shall be easily explainable and understood by all consumers and users affected by the tariff policy concerned.

i) The municipality also undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.

j) In the case of directly measurable service, namely water, the consumption of such services shall be properly metered by the municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. The charges levied on consumers shall be proportionate to the quantity of the service which they consume.

k) In addition, the municipality shall levy monthly availability charges for the services concerned, and these charges shall be fixed for each type of property as determined in accordance with its appropriate policies. Generally, consumers of water shall therefore pay two charges: one, relatively minor, which is unrelated to the volume of consumption and is levied because of the availability of the service concerned; and another directly related to the consumption of the service in question.

l) In considering the costing of its water and sanitation services, the municipality shall take due cognizance of the high capital cost of establishing and expanding such services, and of the resultant high fixed costs, as opposed to variable costs of operating these services. In adopting what is fundamentally a two-part tariff structure, namely a fixed availability charge coupled with a charge based on consumption, the municipality believes that it is properly attending to the demands which both future expansion and variable demand cycles and other fluctuations will make on service delivery.

5. Calculation of tariffs for major services

In order to determine the tariffs which must be charged for the supply of the two major services, the municipality shall identify all the costs of operation of the undertakings concerned, including specifically the following:

a) Cost of bulk purchases
b) Distribution costs
c) Distribution losses
d) Depreciation expenses

e) Maintenance of infrastructure and other fixed assets

f) Administration and service costs, including

- service charges levied by other departments such as finance, human resources and legal services;
- reasonable general overheads, such as the costs associated with the office of the municipal manager;
- adequate contributions to the provisions for bad debts and obsolescence of stock;
- all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area (note: the costs of the democratic process in the municipality – that is, all expenses associated with the political structures of the municipality – shall form part of the expenses to be financed from property rates and general revenues, and shall not be included in the costing of the major services of the municipality).

g) The intended surplus to be generated for the financial year, such surplus to be applied:

- as an appropriation to capital reserves; and/or
- generally in relief of general services.

h) The cost of approved indigency relief measures.

6. Structure of tariffs

a) The DM shall in consultation with local councils, determine the municipal services and levels thereof which will be subsidized in respect of indigent customers in accordance with national policy, but subject to principles of sustainability and affordability. The potable water function rendered by the District Municipality is however rendered for the following three levels of subsidised services namely:-

- RDP standard for the rural areas (water provided by standpipes and sanitation for VIP latrines);
- Public Benefit Organisations such as old age homes (a blanket subsidy is provided based on the number of individuals taken care of within that institution – (1,5 kiloletres per person for potable water and 0,6 kiloletres for sanitary purposes, representing a total of 2,1 kiloletres per person);
- Full service provided for residents in towns and serviced areas (10 kiloletres for water per household - 6 kiloletres for potable and 4 kiloletres for sanitary purposes) - The accountholder will be liable for all payments relating to monthly water consumption in excess of 10kiloletres and the Municipality shall be entitled to restrict water supply to the property where payment obligations are not met;
- Each registered indigent household shall be subsidised for sanitation as provided for in the annual budget as well as the municipal tariff structure adopted by the council.

b) Because water is a scarce national resource, and this municipality is committed to the prudent conservation of such resources, the tariff levied for domestic consumption of water shall escalate according to the volume of water consumed. The tariff for domestic consumption shall be based on monthly consumption of up to 6 kiloletres (for non-indigents), more than 6 kiloletres but not more than 15 kiloletres, more than 15 kiloletres but not more than 30 kiloletres, more than 30 kiloletres but not more than 45 kiloletres, and more than 45 kiloletres, more than 45kiloletres but no more than 60kiloletres and greater than 60kiloletress.

7. Water

(a) The categories of water consumers as set out in sub-section (c) below shall be charged at the applicable tariffs, as approved by the council in each annual budget.

(b) Tariff adjustments shall be effective from 1 July each year.

(c) Categories of consumption and charges shall be:

- All domestic water consumers registered as indigents with the municipality shall receive a subsidy as per Section 6(a) above. Thereafter a stepped tariff per kiloletres as determined by the council from time to time shall be applicable on metered water consumption, as set out in Chapter 3 of this by-law.
- All other domestic consumers shall be charged for actual water consumption at a stepped tariff per kiloletres as determined by the council from time to time, and as set out in Chapter 3 of this by-law.
- A basic charge per water meter, as determined by the council from time to time, shall be charged on all water consumers, except registered indigents.

8. Sanitation

a) The categories of sanitation users as set out in sub-section (c) below shall be charged per month at the applicable tariff as approved by the council in each annual budget.

b) Tariff adjustments will be effective from 1 July each year.

c) Categories of usage and charges shall be:

- A basic (availability) charge per month shall be charged for undeveloped erven, irrespective of their permitted or intended use.
- A fixed monthly charge based on the costs of the service shall be charged for bucket removal for domestic users. Registered indigents may receive such relief on this charge as the council deems affordable when approving each annual budget.
- A fixed monthly charge based on the costs of the service per sewer point/toilet shall be charged to all businesses, industries and institutional users.
- An effluent fee shall further be payable by factories and other industrial users where the wastewater emanating from such users requires special purification measures by the

municipality. Such fees shall be based on the toxic content of the wastewater concerned and the costs of the purification.

CHAPTER III: CREDIT CONTROL AND DEBT COLLECTION

9. Objective

The council of the municipality, in adopting this policy on credit control and debt collection, recognizes its constitutional obligations to develop the local economy and to provide acceptable services to its residents. It simultaneously acknowledges that it cannot fulfill these constitutional obligations unless it exacts payment for the services which it provides and for the taxes which it legitimately levies – in full from those residents who can afford to pay, and in accordance with its indigency relief measures for those who have registered as indigents in terms of the council's approved indigency management policy.

10. Notice of default and intended termination or restriction of services

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

11. Reconnection or reinstatement of terminated or restricted services

Services to defaulting accountholders terminated or restricted in terms of Section 10 above shall be reconnected or reinstated by the municipal manager only when all the following conditions have been met:

(i) the arrear account has been paid in full, including the interest raised on such account; or an acceptable arrangement has been made with the municipal manager for the payment of the arrear account, including the interest raised on such account;

(ii) the charge(s) for the notice sent in terms of Section 11 above and for the reconnection or reinstatement of the terminated or restricted service(s), as determined by the council from time to time, have been paid in full;

(iii) a service contract has been entered into with the municipality, as contemplated in Section 17 below; and

(iv) a cash deposit has been lodged with the municipal manager in compliance with Section 18, such deposit to be newly determined on the basis of currently prevailing consumption and usage of services in respect of the property concerned or, if insufficient data is available in regard to such consumption, of the currently prevailing consumption and usage of services in respect of a comparable property.

12. Periods for reconnections or reinstatements

The municipal manager shall reconnect or reinstate terminated or restricted services within 3 (three) working days after the date on which the conditions set out in Section 10 above have been met, unless the municipal manager is unable to do so because of circumstances beyond the control of the municipality.

13. Illegal reconnections

(a) The municipal manager shall, as soon as it comes to the notice of the municipal manager that any terminated or restricted service has been irregularly reconnected or reinstated, report such action to the South African Police Service, disconnect or restrict such service(s), and not reconnect or reinstate such service(s) until the arrear account, including the interest raised on such account, the charges for the notice sent in terms of Section 11 above and the charges for both the original and subsequent reconnection or reinstatement of the service(s) and the revised deposit have been paid in full, together with such penalty as may be determined by the council from time to time.

(b) In addition, all metered consumption since the date of the illegal reconnection, or the estimated consumption if a reliable meter reading is not possible, shall also be paid full before any reconnection or reinstatement is considered.

14. Restriction of services

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

15. Services not reconnected or reinstated after 4 (four) weeks

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

(b) Such further action shall include if necessary the sale in execution of such property to recover arrear service charges (if the accountholder is also the owner of the property).

(c) All legal expenses incurred by the municipality shall be for the account of the defaulting accountholder.

16. Arrangements for payments of arrear accounts

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

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

(b) If an accountholder breaches any material term of an arrangement, the balance of the arrear account, together with the balance of interest raised on such account, shall immediately become due and payable to the municipality, and if the accountholder defaults on such payment, the municipal manager shall terminate or restrict services to the property in question and shall forthwith hand such account over for collection as envisaged in Section 15 above.

(c) An accountholder who has breached an arrangement as set out above shall not be allowed to make any further arrangements for the payment of arrear accounts, but shall be proceeded against, after the dispatch of the initial notice of default as envisaged in Section 16 above and failure by the accountholder to pay the arrear account, together with interest raised on such arrears as required in terms of such notice, as though such accountholder had breached a material term of an arrangement.

17. Service contract

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

- water
- sanitation.

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

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

(d) Current consumers and users of the municipality's services who have not entered in a service contract as envisaged above, must do so within 2 (two) years from the date on which the by-laws to implement the present policy are published, and failure to do so shall be considered as a default equivalent to nonpayment in terms of Section 16 above.

18. Payment of deposits

Whenever a service contract is entered into in terms of Section 17 above, the signatory shall lodge a cash deposit with the municipality, such deposit to be determined as follows:

(a) in the case of the signatory's being the registered owner or spouse of the registered owner of the property concerned, an amount equal to one quarter of the aggregate monetary value of the relevant service(s) provided to the property over the immediately preceding 12 (twelve) month period, or – where no such information is available – one quarter of the aggregate monetary value of the relevant service(s) provided to a comparable property over the immediately preceding 12 (twelve) month period;

(b) in the case of the signatory's not being the registered owner or spouse of the registered owner of the property concerned, an amount equal to one third of the aggregate monetary value of the relevant service(s) as determined above.

19. Allocation of part-payments and appropriation of deposits

(a) If an accountholder pays only part of any municipal account due, the municipal manager shall allocate such payment as follows:

(i) firstly, to any unpaid charges levied by the municipality in respect of unacceptable cheques, notices, legal expenses and reconnections or reinstatements of services in respect of the account or property concerned;

(ii) secondly, to any unpaid interest raised on the account;

(iii) thirdly, to any unpaid sanitation charges;

(iv) fourthly, to any unpaid water charges.

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

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

20. Queries by accountholders

(a) In the event of an accountholder in the view of the municipal manager reasonably querying any item or items on the monthly municipal account, no action shall be taken against the accountholder as contemplated above, provided:-

i) the accountholder has paid by due date an amount equal to the monthly average monetary value of the three most recent un-queried accounts in respect of the service under query,

ii) all un-queried balances on such account, and

iii) such query is made in writing by the accountholder or is recorded in writing by the municipal manager on behalf of the accountholder on or before the due date for the payment of the relevant account.

Any query raised by an accountholder in the circumstances contemplated in Section 22 below shall not constitute a reasonable query for the purposes of the sub-section (a) above.

21. Inability to read meters

If the municipality is unable to read any meter on any property because the meter has been rendered inaccessible through any act or omission of the accountholder or owner of the property concerned, the municipal manager shall estimate the consumption of the service concerned by determining the monthly average of the metered consumption recorded on the three most recent accounts in respect of which meter readings were obtained, and thereafter bill the accountholder for the monetary value of such estimated consumption.

22. Dishonoured and other unacceptable cheques

If an accountholder tenders a cheque which is subsequently dishonoured by or is found to be unacceptable to the accountholder's or the municipality's bankers, the municipal manager shall – in addition to taking the steps contemplated in these by-laws against defaulting accountholders – charge such accountholder the penalty charge for unacceptable cheques, as determined by the council from time to time, and such charge shall rank equally with the costs and expenses incurred by the municipality for purposes of determining the sequence of allocations and appropriations contemplated in Section 19 above.

23. Interest on arrears and other penalty charges

(a) Interest shall be charged on all arrear accounts at the prevailing overdraft rate offered to the municipality by the municipality's bankers plus 3 (three) percentage points.

(b) If the municipality uses more than one banking institution it shall for purposes of determining the interest on arrear accounts apply the overdraft rate offered by the institution with which its primary bank account is placed.

(c) Interest shall be calculated on a daily basis. For purposes of determining arrear amounts, all amounts unpaid including interest previously raised and penalty charges, but excluding value added tax, shall be taken into account.

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

i) charges for disconnection or restriction of services (Section 18)
ii) charges for reconnection or reinstatement of services (Section 19)
iii) charges for notices of default (Section 18)
iv) penalty charges for illegal reconnections (Section 21)
v) penalty charges for dishonoured and unacceptable cheques (Section 23).

24. Indigent management

In regard to the payments expected from registered indigents, and the credit control and debt collection actions contemplated in respect of such residents, this Chapter of the bylaws must be read in conjunction with the Chapter on indigency management.

25. Arrears which have arisen prior to the adoption of the present policy

(a) The council shall separately consider arrears which arose prior to the adoption of the present by-laws, and shall advise accountholders of their respective obligations in regard to such arrears.

(b) In determining such obligations, the council shall have regard to the quantum of such arrears, to the period over which the default occurred, and to whether the accountholder concerned has registered as an indigent in terms of the municipality's by-laws on indigency management.

(c) The council shall further consider an incentive scheme to encourage accountholders to settle all or a stated percentage of these arrears.

CHAPTER IV: INDIGENCY MANAGEMENT

26. Objective

Because of the level of unemployment and subsequent poverty in the municipal area, there are households which are unable to pay for normal municipal services. The municipality therefore adopts its indigency management policy and attendant by-laws to ensure that these households have access to at least basic municipal services, and is guided in the formulation of this policy and by-laws by the national government's policy in this regard.

27. Who qualifies for indigent support

a) The extent of the monthly indigent support granted to indigent households will be based on the budgetary allocation for a particular financial year and the tariffs determined for each financial year. Council will determine an indigent tariff that will be charged to indigent households to recover maintenance and operational costs.

b) Once approved, the historical debt of an indigent household will be written off and their monthly services will be subsidised.

c) A formula will be used to determine the amount payable by an indigent household. The formula will be as follows:

   A. 2 x SASSA grant: 100% subsidy;
   B. 2 x SASSA grant + 10%: 90%;
   C. 2 x SASSA grant + 20%: 80%;
   D. 2 x SASSA grant + 30%: 70%;
   E. 2 x SASSA grant + 40%: 60%;
   F. 2 x SASSA grant + 50%: 50%;
   G. 2 x SASSA grant + 60%: 40%;
   H. 2 x SASSA grant + 70%: 30%
   I. 2 x SASSA grant + 80%: 20%
   J. 2 x SASSA grant + 90%: 10%

d) Council will determine the indigent subsidy based on the equitable share received from national government, the poverty threshold and any possible cross-subsidy in the tariff structure and will amend it from time to time.

e) Only households where the accountholder or property owner has registered as indigent in terms of the municipality's annual registration programme, and whose registration has been accepted and entered into the register of indigents shall qualify for the above relief.

f) For a household to qualify for subsidies or rebates on the major service charges in terms of Section 29 below, the registered indigent must be the full-time occupant of the property concerned, and if not also the owner of the property concerned, may not own any other property, whether in or out of the municipal area.

g) Indigency relief shall apply for a period not extending beyond the financial year in which the particular household is registered as indigent, registration must be renewed in each registration programme if relief is to continue.

h) To register as an indigent, the relevant property owner or accountholder must personally complete and sign the registration form provided by the municipality for this purpose, and furnish such further documentation as the municipality specifies.

i) The municipal manager will provide assistance to persons who cannot read or write, at such times and places as are specified in the notices published to indicate that the registration programme is to take place.

j) Registration will take place on dates and at times and places determined by the council.

k) The municipality may impose conditions for the registration of any owner or account holder as an indigent and these may include:

- allowing reasonable access to the municipality or its agents in order to effect repairs to the water or sanitation system; and
- an obligation to report all faults or defects with or in the water or sanitation system on his property to the municipality or its agents within 12 hours of becoming aware of such fault or defect.

28. Application of the by-law

a) The relief on specified service charges will be determined as part of each annual budget and in terms of the municipality's policies on tariffs.

- RDP standard for the rural areas (water provided by standpipes and sanitation for VIP latrines);
- Public Benefit Organisations such as old age homes (a blanket subsidy is provided based on the number of individuals taken care of within that institution – (1,5 kiloletres per person for potable water and 0,6 kiloletres for sanitary purposes, representing a total of 2,1 kiloletres per person);
- Full service provided for residents in towns and serviced areas (10 kiloletres for water per household - 6 kiloletres for potable and 4 kiloletres for sanitary purposes);
- The accountholder will be liable for all payments relating to monthly water consumption in excess of 6kiloletres and the Municipality shall be entitled to restrict water supply to the property where payment obligations are not met;
- Each registered indigent household shall be subsidised for sanitation as provided for in the annual budget as well as the municipal tariff structure adopted by the council.

29. Non-compliance of households registered as indigent

a) When a property owner or accountholder who has registered as an indigent fails to comply with any arrangements or conditions which are materially relevant to the receipt of indigency relief, such person will forfeit his or her status as a registered indigent with immediate effect, and will

thereafter be treated as an ordinary residential property owner or accountholder for the financial year concerned. The onus is on each registered indigent to advise the municipal manager if he is unable to comply with any arrangement or condition contemplated in section 30(a).

b) It may happen that if any household in receipt of indigency relief falls into arrears in respect of any amounts due by it to the municipality, the property owner or accountholder concerned must make immediate arrangements with the municipal manager to pay off these arrears owing within a reasonable time determined by the municipal manager in terms of the municipality's credit control and debt collection by-laws. If these arrangements are not made, no subsidies will be paid or free services provided, and services may be terminated in terms of the municipality's credit control and debt collection by-laws.

c) The relief to indigents may be withdrawn at the discretion of the municipal manager if:

- a registered indigent who qualifies for such relief fails to keep to the terms of the policy agreement; or
- any tampering with the installations of the municipality is detected.
- If a registered indigent is found to have provided fraudulent information to the municipality in regard to any material condition for registration as an indigent, such person shall immediately be removed from the register of indigents, and shall be liable to repay to the municipality with immediate effect all indigency relief received from the date of such fraudulent registration.
- Moreover, such person may not again be considered for indigency relief for a period extending for 5 (five) years beyond the financial year in which the misdemeanor is detected.

d) Indigency relief will not apply in respect of property owners owning more than one property, whether in or outside the municipal area.

CHAPTER V: MISCELLANEOUS PROVISIONS

30. Power of entry and inspection

a) A duly authorised representative of the municipality may for any reason related to the implementation or enforcement of this by-law at all reasonable times or in emergency at any time, enter premises, request information and carry out such inspection as deemed necessary, and may for purposes of installing or repairing any meter or service connection for reticulation disconnect, stop or restrict the provision of any service.

b) If the municipality considers it necessary for work to be performed to enable an officer to perform a function referred to in subsection (1) properly and effectively, it may –

- by written notice require an account holder to do, at own expense, specified work within a specified period; or
- if the situation is a matter of urgency, without prior notice do such work or cause it to be done at the expense of the account holder.

c) If the work referred to in subsection (2) 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 municipality must bear the expense connected therewith together with that of restoring the premises to their former condition.

31. Authentication and service of orders, notices and other documents

a) An order, notice or other document requiring authentication by the municipality must be signed by the municipal manager and when issued by the municipality in terms of this by-law is deemed to be duly issued if it is signed by an officer authorised by the municipality.

b) Any notice or other document that is served on a person by a duly authorised officer of the municipality in terms of this by-law, is regarded as having been served –

- when it has been delivered to that person personally;
- when it has been left at that person's place of residence or business in the Republic with a person apparently over the age of 16 years;
- when it has been posted by registered or certified mail to that person's last known residential or business address in the Republic and an acknowledgement of the posting thereof from the postal service is obtained;
- if that person's address in the Republic is unknown, when it has been served on that person's agent or representative in the Republic in the manner provided by paragraphs (a), (b) or (c);
- if that person's address and agent or representative in the Republic is unknown, when it has been placed in a conspicuous place on the property or premises, if any, to which it relates;
- in the event of a body corporate, when it has been delivered at the registered office of the business premises of such body corporate to a person apparently over the age of 16 years; or

- when it has been delivered, at the request of a person, to that person's electronic mail address.

c) When any notice or other document has to be served on the owner, an account holder or holder of any property or right in any property, it is sufficient if that person is described in the notice or other document as the owner, account holder or holder of the property or right in question, and it is not necessary to name that person.

d) Service of a copy is deemed to be service of the original.

e) Any legal process is effectively and sufficiently served on the municipality when it is delivered to the municipal manager or a person in attendance at the municipal manager's office.

32. Right of appeal

A person whose rights are affected by a decision of the municipality may appeal against that decision by giving written notice of the appeal and the reasons therefore in terms of section 62 of the Local Government: Municipal Systems Act, Act 32 of 2000 to the municipal manager within 21 days of the date of the notification of the decision

33. Offences and penalties

A person is, on conviction, and subject to penalties prescribed in any other law, liable to a fine or in default of payment, to imprisonment, or to such imprisonment without the option of a fine, or to both such fine and such imprisonment, and in the case of a successive or continuing offence, to a fine for every day such offence continues, or in default of payment thereof, to imprisonment if he or she-

a) fails to give access required by an officer;

b) obstructs or hinders an officer in the exercise of his or her powers or the performance of functions or duties under this by-law;

c) uses or interferes with the municipality equipment for consumption of services supplied;

d) fails or refuses to give the municipality or an officer such information as the municipality or the officer may reasonably require for the purpose of exercising powers or functions under this by-law, or gives the municipality or the officer false or misleading information knowing it to be false or misleading;

e) fails to comply with the terms of a notice served upon him or her in terms of this by-law; or

f) tampers or breaks any seal on a meter or on any equipment belonging to the municipality, or for any reason determined by the municipal manager causes a meter not to register the services used properly, and the person shall furthermore be charged for usage of electricity or water, as the case may be.

34. Repeal of by-laws

The provisions of any by-laws previously promulgated by the municipality or by any of the disestablished municipalities now incorporated in the municipality, are hereby repealed as far as they relate to matters provided for in this by-law, and insofar as it has been made applicable to the municipality by the

authorisation for the execution of powers and functions in terms of section 84(3) of the Local Government: Municipal Structures Act, Act 117 of 1998.

35. Short title and commencement

This by-law may be cited as the Chris Hani District Municipality Revenue Management By-laws and commences on the date of publication thereof in the Provincial Gazette.

By-laws adopted at the Chris Hani District Municipality council meeting, dated _____

Council Resolution number .....

Signed by Municipal Manager:

_____	_____	_____
Initial & Surname	**Signature**	**Date**