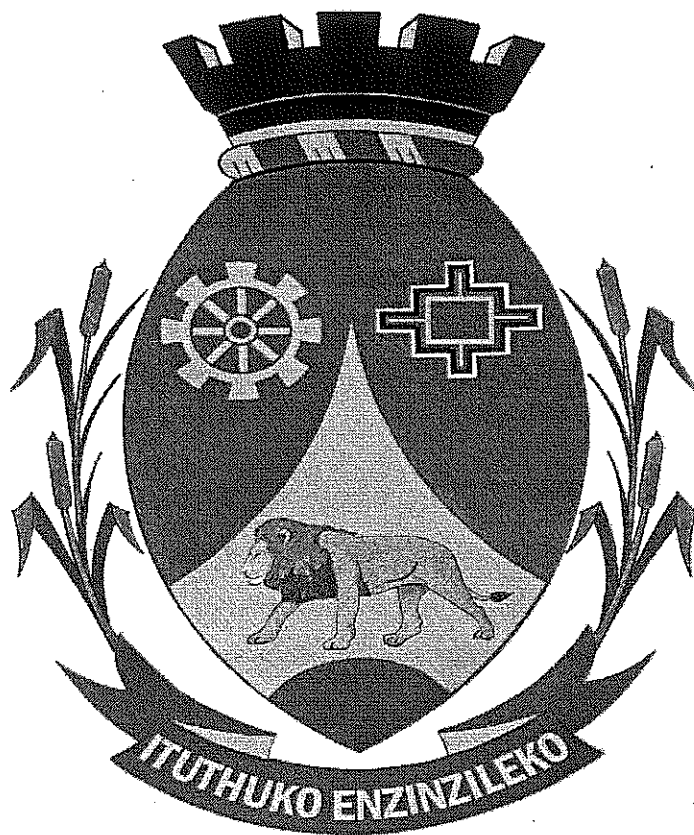
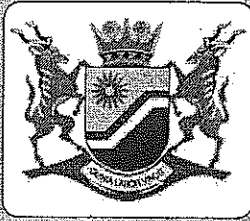


THEMBISILE HANI LOCAL MUNICIPALITY



CREDIT CONTROL AND DEBT COLLECTION BY- LAW



THE PROVINCE OF MPUMALANGA
DIE PROVINSIE MPUMALANGA

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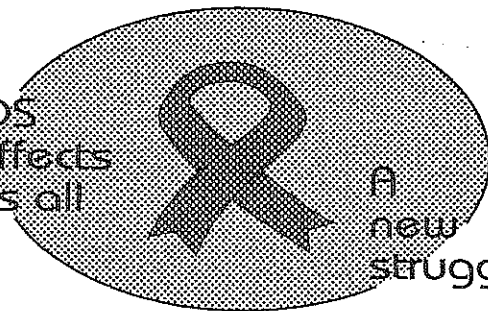
Vol. 20

NELSPRUIT, 15 FEBRUARY
FEBRUARIE 2013

No. 2138

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affects
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THEMBISILE HANI LOCAL MUNICIPALITY**CREDIT CONTROL AND DEBT COLLECTION BY-LAWS****PREAMBLE**

In terms of Section 13 of the Local Government Systems Act 32 of 2000, the Thembisile Hani Local Municipality ("the Municipality") hereby publishes the Credit Control and Debt Collection By-Laws set forth hereinafter, which have been made by the Municipality in terms of Section 98 of the Local Government: Municipal Systems Act 32 of 2000

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1. DEFINITIONS

1. For the purpose of this By-law, any word or expression to which a meaning has been assigned on the Local Government: Municipal Systems Act No. 32 of 2000 shall bear the meaning so assigned to it and, unless the context indicates otherwise:

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

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

“agreement” means the contract relationship between the municipality or its authorized agent and a customer, whether written or deemed;

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

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

“authorized agent” means any employee, agent, sub-contractor, or representative of a Municipality or any person duly authorized by a Municipality to perform any function under this By-law;

“charges” means surcharges on fees, penalties, property rates, taxes, levies, and duties;

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

“debtor” means a person owing an amount of money to the municipality for a reason other than through the provision of municipal services;

“defaulter” means a customer who owes arrears;

“due date” means the date on which the amount payable in respect of an account

“household” means a total number of people who occupy a property for residential purposes whether permanently or on a temporary basis, but excludes persons employed by the household;

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

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

“indigent customer” means a household customer qualifying and registered with the municipality as an indigent in accordance with these by-laws;

“municipality” means Thembisile Hani Local Municipality, a municipality established in terms of the Local Government: Municipal Structures Act 117 of 1998;

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

“occupier” in relation to any premises means-

- a) any person in actual occupation of the land or premises without regard to the title under which he occupies;
- b) a person indicated as such in the service agreement;
- c) any person legally entitled to occupy such premises;

d) in the case of premises sub-divided and let lodgers or various tenants, shall include the person receiving the rent payable by the lodgers or tenants whether for his own account or as an agent for any person entitled thereto or interested therein;

e) any person appearing as such on the records of the Municipality.

“owner” means

(1) the person in who from time to time is vested the legal title to premises;

(2) in a case where the person in whom the legal title to premises is vested is insolvent or dead, or is under any form of legal disability whatsoever, the person in whom the administration and control of such premises is vested as curator, trustee, executor, administrator, judicial manager, Liquidator or other legal representative;

(3) in any case where the municipality or its authorized agent is unable to determine the identity of such , person, a person who is entitled to the benefit of the use of such premises or a building or buildings thereon;

(4) in the case of premises for which a lease agreement of 30 years or longer has been entered into, the lessee thereof;

(5) in relation to -

(i) a piece of land delineated on a sectional plan registered in terms of the Sectional Titles Act, A 1986 (Act No. 95 of 1986), the developer or the body corporate in respect of the common property, or

(ii) a section as defined in the Sectional Titles Act, 1986 (Act No. 95 of 1986), the person in whose name such section is registered under a sectional title deed and includes the lawfully appointed agent of such a person, or

(6) a person occupying land under a register held by a - tribal authority;

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

“rateable property” means property on which the Municipality holds the right to impose rates;

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

“unauthorized services” means receipt, use or consumption of any municipal service which is not in terms of an agreement, or authorized or approved by the municipality or its authorized agent;

2. PURPOSE OF BY-LAW

The purpose of this By-law is to -

- 2.1 ensure that all money due and payable to the Municipality in respect of rates, fees for services, surcharges on such fees, charges, tariffs, interest which has accrued on any amounts due and payable in respect of the foregoing and any collection charges are collected efficiently and promptly;
- 2.2 provide for credit control procedures and mechanisms and debt collection procedures and mechanisms;
- 2.3 make provision for the handling of indigent debtors;
- 2.4 ensure that the targets set are realistic and consistent with generally recognised practices and collection ratios as well as the income estimated in the annual budget of the Municipality, less a reasonable provision for bad debts;
- 2.5 provide for interest on overdue amounts;
- 2.6 provide for the imposition of collection charges on the payment of any overdue amount;
- 2.7 allow for the extension of time, where necessary, for the payment of overdue amounts;
- 2.8 provide for the termination of services or for restrictions on the provision of services when payments are overdue;
- 2.9 provide for matters, legal and otherwise, relating to the unauthorised consumption of services, theft and damages.

3. COMMUNITY PARTICIPATION IN BUDGETARY PROCESS

- 3.1 The Municipality through its Financial Committee, shall hold an annual budget meeting during January (to be called the first budget meeting) where budget priorities, principles and a budget framework will be considered.
- 3.2 Before the end of February of each year, at least one public meeting shall be held where the local community and interest groups will be able to participate in the discussion and debating of budget priorities, budget principles and a budget framework.
- 3.3 At least 14 days notice shall be given of such public by posting it on the designated notice board at the Municipal offices and by publication thereof at least once in two local newspapers.
- 3.4 Before the end of March of each year, a workshop shall be held in each ward I order to:
- 3.4.1 Identify the needs of each ward;
 - 3.4.2 Involve the community in prioritizing those needs;
 - 3.4.3 Provide information regarding the budgetary process, levels of payment and non-payment and to devise strategies regarding non-payment;
- 3.5 Before the end of April;
- 3.5.1 A Council workshop shall be held to reconcile the results of the first budget meeting, the public meeting and the ward workshops with Council's integrated development plan;

- 3.5.2 Council's Mayoral Committee shall create a draft budget;
- 3.6 Before the end of May of each year the draft budget shall be discussed at a second round of at least one public meeting, to be held and convened in the same manner as the first round of public meetings;
- 3.7 Council shall approve the final budget before end of June each year;
- 3.8
- a. Council shall levy the fees, charges and tariffs in respect of Services and Charges by way of Council Resolution.
 - b. The tariffs and charges so payable and the date of its implementation shall be published as prescribed in the Local Government: Municipal Systems Act No. 32 of 2000.
 - c. Such tariffs and charges may differentiate between different categories of customers, services and service standards as well as geographical areas.
- 3.9 The dates and procedure mentioned in this Section are indicative only and are further subject to the financial and administrative capacity of the Municipality.

4. SERVICE AGREEMENTS

- (1) No municipal services shall be provided to any property unless a written agreement governing the supply and cost thereof has been entered into with a The Municipality subject to its administrative, logistical and financial capability.
- (2) Such agreement shall be entered onto by both the owner and occupier, where applicable. The owner shall bind himself/herself as surety and co-principal debtor in favour of

the Municipality for the fulfilment of the obligations of the occupier towards the Municipality;

- (3) The owner and occupier shall be jointly and severally liable for payment of all municipal services and charges.

- (4) It is the duty of the owner to ensure that at all times the occupiers of the premises are not on arrears with payments, but the Municipality shall, where it is the Municipality, and within financial and human resource constraints, endeavour to inform the owner of the performance by the occupier in terms of the agreement.

- (5) A Municipality may require that service applications for business entities, including but not limited to Trusts, Companies and Close Corporations, Partnerships, Sole Proprietors and Voluntary Associations be accompanied by one or more or all of the following:
 - a) A resolution whereby authority to enter into the agreement is delegated to the signatory;
 - b) The business entity's registration number or IT number, if applicable;
 - c) The names, addresses and all relevant contact particulars of all the businesses' Directors or Members or Trustees or Proprietors or Partners or Executive Members;
 - d) That any one or more or all Partners / Members / Directors / Trustees must sign as surety and co-principal debtor for the full fulfilment of all the obligations of the business entity;
 - e) That the signatory to the agreement warrants that he / she is duly authorised to do so, that all information supplied is true and correct and shall further warrant that the business is not trading in

insolvent circumstances

- (6) Upon application for Municipal Services, and if so required by the Municipality, customers emanating from other Municipalities shall submit the particulars of the Municipal account of such Municipality and shall agree in writing that such other Municipality may indicate whether all amounts due in respect of Municipal Services, surcharges on fees, property rates and other Municipal taxes, levies and duties have been paid by the customer.
- The Municipality may refuse to render any Municipal services to such customer in the event of the previous account not being fully paid up or arrangements with such other Municipality have been made for the payment hereof.
- (7) In the agreement, customers shall warrant that all information supplied is correct and that liability is accepted for all Municipal services and charges, costs of collection and interests on overdue accounts in the event of accounts being in arrears;
- (8) The address furnished in the services agreement shall constitute the domicilium citandi et executandi of the customer for the purpose of service of any process, notice, document and account;
- (9) The Municipality shall provide a customer with a copy of the service agreement upon signature thereof by the Municipality;
- (10) The applicant services may be referred for a service agreement upon signature thereof by the

service provider;

5. SCREENING

- a. If required by the Municipality, an application for service agreements shall be accompanied banking details, previous Municipal Account, particulars of trade creditors and an applicant shall give in the application for services permission and authority to the Municipality to verify such information in order to assess the credit risk of the applicant;
- b. Apart from the above, the Municipality may also make the necessary enquiries with credit bureaus and similar institutions in order to assess the credit risk.

6. DEPOSITS

- a. Prior to signature of the agreement, a security deposit shall be paid by the customer;
- b. Such security deposit shall be paid either in cash or any other means of payment acceptable to the Municipality;
- c. Security deposits may vary according to the credit risk of the customer as assessed by the Municipality;
- d. The Municipality shall from time to time by resolution determine the criteria for the categories in terms whereof customers shall be graded as well as the amount of the deposit payable in each risk category, where the Municipality is the service provider;
- e. The Municipality shall only after consultation with the community periodically increase or decrease the deposits payable and date of implementation thereof, where it is the service provider;
- f. Upon termination of the service agreement the amounts of the deposits less any outstanding amounts due will be refunded to

the customer;

- g. No interest shall be payable to the customer on deposits held by the Municipality.

7. ACCOUNTS AND NOTIFICATION OF ADDRESS

- A. In the absence of an agreement to the contrary, a Service Provider shall, within its administrative capacity and subject thereto, endeavour to render monthly accounts to the customer in respect to Municipal services, and in the case of the Municipality, of charges.
- B. Such accounts shall be posted to the address appearing in the records of the Municipality as that of the customer, as the case may be.
- C. It is the duty of the customer to ensure that accounts are received and payment effected notwithstanding the fact that it may not have been received. It shall be presumed unless proven otherwise that any such account has been timeously received by the customer.
- D. In the absence to an agreement to the contrary, accounts shall be nearly as practically possible to a [period of 30 days, shall be produced in accordance with the meter reading cycle and due date shall be linked to the statement date.
- E. Payment of an account shall be effected within 7 days of the statement date, but where the Municipality is the Service Provider, and in the event of monthly payment of charges, payment must be made on or before the 7th day of each month.
- F. Where an account is not settled in full, any lesser amount tendered and accepted shall not be deemed to be in full and final settlement of such an account, even where the customer is in dispute with the Municipality regarding the amount due.

- G. A customer shall inform a Municipality in writing of any change of his / her postal and physical address within 7 days of date thereof, failure of which shall render the customer liable for all tracing costs incurred as a result of such failure.
- H. Every owner of property shall, within 60 (sixty) days after date of promulgation of this By-Law, inform the Municipality in writing of his/her postal and physical address and furthermore of any change thereof within 7 (seven) days of such change and every purchaser of property shall within 7 days after the date of registration of that property into his/her name, inform the Municipality in writing of such fact and of his/her postal and physical address.
Failure to do any of the above shall constitute an offence and such owner shall furthermore be liable.
- I. The Municipality shall, with its administrative capacity and subject thereto, where it is the Service Provider, ensure that all customers shall receive an understandable and accurate account consolidated with all Municipal service costs and charges for the property, where applicable.
- J. The Municipality, if administratively possible, issues a duplicate account to a customer on request, against payment of the prescribed fee.
- K. A Municipality may allocate all payments received to any debit entry on the account and the customer who has overdue debt may not specify that the payment is for a specific portion of the account or for a specific service or charge;
- L. A Municipality may, with the consent of a customer, approach an employer to deduct an agreed amount from the employee's weekly or monthly wage/salary to pay towards arrear Municipal accounts.
- M. The use by the customer of agents to effect payment to the

Municipality is at the sole risk of the customer. The customer shall be liable for payment of all additional costs which are levied by the customer's agent.

8. METERING

- a) The Municipality shall provide, shall to practical and financial constraints, meters to all premises, for all meter able services;
- b) In the absence of an agreement to the contrary, and subject to practical and financial constraints all meters will be read monthly. Where a meter has not been read, the Municipality must average the consumption by debiting the account with the average monthly reading for the preceding three months, if the history of the account is available. Where no such history exists, the customer shall pay an estimate provided by the Municipality;
- c) When a meter is replaced, the customer shall be informed thereof in writing;
- d) In the event of a service being metered but cannot be read due to practical, financial or human resource constraints or circumstances out of the control of the Municipality, and the customer is then charged for an average consumption, the account following the reading of the meter consumption shall articulate the difference between the actual consumption and the average consumption and the resulting credit or debit adjustment;
- e) Every customer shall give an authorized representative of the Municipality access at all reasonable hours to the property in order to read, inspect, install, repair or replace any meter or service connection for reticulation, or in order to disconnect, stop, restrict, or reconnect the provision of any service;
- f) In the event of access not being reasonably possible the Municipality may relocate a meter and the customer shall be responsible for payment of the costs of such relocation;
- g) In the event of reasonable access not possible the Municipality may:
 - i. By written notice require the customer to restore access at his/her own cost within a specified period; or

- ii. Restore the access without prior notice and recover costs thereof from the customer

9. COMPLAINTS AND APPEALS

(1) The Municipality shall, within practical and financial constraints establish:

- i. A central complaints feedback office;
 - ii. A centralised database in order to enhance co-ordination of complaints and the resolution thereof as well as effective communication with customers;
- a) A customer may lodge a written request with the Municipality for recalculation of an account, or testing of a meter if such a customer is of the opinion that the account rendered is inaccurate or such meter is defective.
 - b) Such a request must contain full personal and/or business particulars of the customer, the relevant account number, direct contact number, address and any other particulars required by the Municipality;
 - c) Pending the outcome of the request, the customer must pay an amount equal to the average of the monthly total of the preceding 3 months' accounts where history of such an account is available. Where no such history is available, the customer shall pay an estimate provided by the Municipality, not later than the date due for the payment thereof;
 - d) Failure to make payment as contemplated herein will render the customer liable for disconnection of the services.
 - e) Upon receipt of the request, the relevant Municipality shall be given a written acknowledgment thereof, investigate the matter and inform the customer of the outcome of such investigation and shall give reasons for its decision.

- f) Any adjustment to the customer's account as a result of the investigation shall be made within one month.
- g) Upon receipt of the decision of the Municipality, the customer may lodge an appeal against the decision by furnishing it, together with reasons, within 21 days after communication of the decision to the Municipality, and in the case of the Municipality, to the Municipal Manager. The Municipality or the Municipal Manager, as the case may be, shall commence with the appeal within 6 weeks and shall decide the appeal within a reasonable period. The decision of the Municipality shall be final and it may proceed with Credit Control and Debt Collection measures provided for in this By-Law after the customer has been notified of the outcome of the appeal;
- h) No dispute, enquiry or complaint will be reconsidered after the outcome thereafter has been communicated to the customer.
- i) If the customer is not satisfied or complaint will be reconsidered after the outcome thereof has been communicated to the customer.
- j) Under no circumstances may the payment of any amount be withheld as a result of any dispute amount be withheld as result of any dispute or perceived dispute and the Service Provider may such an event proceed with debt collection mechanisms as provided for in this By-Laws.

10. CUSTOMER ASSISTANCE

1) INCENTIVES

The Municipality may from time to time implement incentives to promote prompt payment of accounts.

2) RATE REBATE

Properties used exclusively for residential purposes may qualify for a property rate rebate as determined annually by the Municipality by resolution subject to the following:

- a) Only customers receiving old age pensions or state

disability grants are eligible for a rebate;

- b) Application for a rebate must be made in writing annually to reach the Chief Financial Officer on/before 30 June;
- c) The applicant must be the registered owner of and residing on the property;
- d) The subletting of any portion of the premises, the taking in of boarders or tenants or any children or family members being employed and living on the property shall disqualify the applicant for a rebate;
- e) The applicant should not own any other immovable property;
- f) The property must be readily accessible to Municipal staff for purpose of carrying of inspections during reasonable hours.

11. SETTLEMENT ARRANGEMENTS

- A. Notwithstanding any arrangement for payment as contemplated herein, a Municipality may be restrict and/or discontinue the provision of services as provider for in this By-Law.
- B. A Municipality may enter into an agreement with a customer if such customer is unable to, on good cause shown, to pay his/her account, and may require that the customer shall:
 - a) Sign an acknowledgement of debt;
 - b) Sign consent to civil judgment;

- c) Consent to a garnishee order/emolument order (if he/she is in employment);
 - d) Acknowledge that interest will be charged at the prescribed rate and in a manner determined by the Municipality from time to time;
 - e) Not fall into arrears with payment of the current portion of the account;
 - f) Sign an acknowledgement that, if the arrangement is defaulted on, the full outstanding balance will then become immediately due and payable, that no further arrangements will be entered into and that disconnection of water and/or electricity will continue and that legal proceedings will be instituted for recovery of all arrear amounts and;
 - g) The owner or his/her agent consents to such agreement in writing.
- C. In the event of a customer being in arrears pertaining to an account and seeking an arrangement for the payment thereof, the Municipality may in its discretion convert the electricity meter to a prepayment meter and the cost of such conversion together with such arrears, shall be paid off either by:
- a) Adding it to the arrears account and repaying it over the period agreed upon; or
 - b) Adding it as a surcharge to the prepaid electricity costs and repaying it within the agreed period with each purchase of services until the debt is liquidated.
- D. The Municipality may raise the security deposit payable in the

event of an arrangement being sought or where a customer is in default in terms of such an agreement;

- E. The customer must prove levels of income, if the Municipality requests same, and all arrangements shall be made subject to periodic review.

12. INSTALLMENTS

Customers and property developers will be given the opportunity to pay property rates and service contributions and instalments, as determined by the Municipality from time to time subject thereto that such period shall not exceed 12 months.

13. INDIGENT SUPPORT

- a. The Municipality shall render support to indigent owners of property, who, due to a number of socio-economic factors are unable to make a full monetary contribution towards services provided by the Municipality;
- b. For an owner to qualify to be indigent, such owner must comply with the following requirements:
- i. The applicant must be over 18 years of age;
 - ii. The total household income of all occupants must be less than an amount determined by the Municipality, which amount shall be annually adjusted by the Municipality;
 - iii. The applicant must have an active account with the Municipality;
 - iv. The applicant may not own more than one immovable property;
 - v. The applicant must reside on the property

- c. The applicant must apply on the prescribed application form only at service centres designated as such and situated within his/her respective area, together with the following documentary proof:
- a) The applicant's identity document;
 - b) Latest Municipal account and proof of ownership;
 - c) Documentary proof of total monthly income of the household to the satisfaction of the Municipality, including, but not limited to UIF card, salary advice, letter from an employer and bank statements.
 - d) An affidavit to the effect that all the information supplied is true and correct and that the total income of the household from all sources has been declared;
 - e) Recommendation by the applicant's ward councillor.
- f) The Municipality may appoint inspectors who shall be entitled to visit the applicant's premises in order to verify the correctness of the information provided in the application form, to record any changes in circumstances and make recommendations for approval, disapproval or disqualification of an application;
1. The application together with the inspector's recommendation shall be submitted to an indigent committee. Such indigent committee shall be a sub-committee of the finance committee of the Municipality;
 2. The indigent committee shall approve, disprove or disqualify the application and in the event of an application being approved, determine the subsidy amount to be granted;
 3. The indigent committee's decision shall be final and binding;

4. An applicant must apply for indigent support on an annual basis;
5. The reapplication for indigent support shall not be approved if the account pertaining to the use of water and/or electricity in excess of the free water and electricity consumption.
6. The Municipality shall inform all applicants in writing about the outcome of the application. In the event of the application being approved, the applicant shall be informed of the date of commencement and date of termination of the subsidy with no guarantee of renewal;
7. An owner who receives indigent support shall immediately request the cession of the subsidy if his/her circumstances have changed to the extent that he/she no longer complies with the requirements for indigent support;
8. Subsidies shall only be granted in respect of property rates and refuse removal. Water, sanitation and electricity consumption shall not be subsidised.
9. Indigent customers may be required to revert to prepayment meters. In such an event the Municipality may, in its sole discretion decide that the cost thereof shall be met either by:
 - a) A surcharge on the coupon cost;
 - b) Cash payment of the indigent customer; or
 - c) Be regarded as part of the subsidy grant.
10. The Municipality may differentiate between the amount of subsidies granted and may categorise indigent customers into various categories, but may not unfairly discriminate against customers.
11. If an indigent customer's consumption or use of Municipal service is

less than the subsidised service or free basic service the unused portion may not be accrued by the customer and the customer shall not be entitled to cash or rebate in respect of the unused portion.

12. Indigent support shall automatically terminate:

- a) Upon the death of the indigent customer;
- b) When the indigent customer disposes of his/her immovable property;
- c) When the indigent customer's circumstances change or indigent criteria for approval changes to the extent that the indigent customer no longer qualifies for indigent support;
- d) When the indigent customer no longer resides on the property;
- e) If an indigent customer fails to pay the account in excess of the subsidy service pertaining to water and/or electricity or fails to honour any arrangements made by him/her for payment of the outstanding account; and
- f) It is discovered that the information supplied by the indigent customer was false; I which event all subsidies granted to the indigent customer shall be reversed retrospectively.

11. ENFORCEMENT MECHANISMS

1. WATER / ELECTRICTY AND OTHER SERVICES

- i. If the Municipal account is not paid on the due date shown on the account, and unless permission for deferment of a payment has been granted, a written warning of possible disconnection of water and/or electricity supply will be forwarded to the customer and in which notice the date of such disconnection shall be stipulated, which date shall not

be less than 14 days, calculated from date of receipt of such notice.

- ii. If a customer is deemed to have received such notice on the same day if delivered by hand, email or telefax transmission, on the 3rd day after the date of posting, if posted by registered mail.
- iii. A Municipality shall be entitled to disconnect or restrict the supply of water and/or electricity without any further notice if payment in full had not been made on the date stipulated in the notice.

Upon disconnection of the supply of water and/or electricity, the Municipality shall post a notice in a conspicuous place on the property wherein the customer is informed that the supply has been disconnected, that all electric points should be considered live and that all water outlets should be closed. The said notice shall also advise that the supply will only be reconnected upon payment of the total amount specified in the notice together with the prescribed reconnection fee. Such notice shall also warn the customer of the consequences of unauthorised connection or use.

- iv. Business entities shall have the option to make arrangements for deferred payment but shall be obliged to [pay all arrears and prescribed fees before services will be restored.
- v. The Municipality shall restore services within a reasonable time after submission of proof of payment of the required amount, subject to logistical capacity. Services shall only be restored during official business hours except in instances deemed to be emergencies, and an additional

after-hours fee shall then be charged;

- vi. In the event of a customer being in arrears with property rates or any other Municipal charges, the Municipality shall have the right to deny or to restrict the sale and supply of electricity or water, where the Municipality is the Service Provider.

2. RATES, CHARGES AND LEVIES

It shall constitute an offence if charges are not paid on due date as stipulated on the account.

2.1 ANNUAL RATES AND OTHER LEVIES

- i. If the account is not paid by the due date as indicated on the account, a letter of demand shall be forwarded to the customer showing the total amount owed to the Municipality and requesting the customer to pay the full amount owing within a prescribed period which shall not be less than 14 days after the date of receipt of the notice.
- ii. The customer will be deemed to have received such notice on the same day if delivered by hand, email, and telefax transmission, on the 3rd day after the date of posting if posted by ordinary mail and on the 4th day after the date of posting if posted by registered mail.
- iii. If such notice is posted, it shall constitute due notice if forwarded to the postal address supplied by the customer in the service agreement.

- iv. If the account has not been settled or acceptable agreements have been made on or the date mentioned in the letter of demand, the Municipality may issue summons and in due legal process as contemplated herein shall be followed.
- v. Where the arrear rate is in respect of a Municipal property sold by the Municipality in terms of a suspensive sale agreement or lease agreement, the collection thereof may be done in terms of the deed of sale, lease agreement or any subsequent applicable written agreement between the Municipality and the customer.

2.2 MONTHLY RATES

- i. Interest will be charged on overdue accounts at an interest rate that shall be determined by the Municipality from time to time by resolution;

If the customer's account is in arrears for a period of 30 days or more, a letter of demand shall be forwarded to a customer, demanding payment of the arrear amount, and in which notice the amount is stipulated and the date

- ii. for payment thereof is indicated, which date shall not be less than 14 days after date of dispatch of the said notice;
- iii. The customer shall be deemed to have received the notice on the same day if delivered by hand, email, and telefax transmission, on the 3rd day after the date of posting if posted by ordinary

mail and on the 4th day after the date of posting if posted by registered mail.

- iv. If such notice is posted, it shall constitute due notice if forwarded to the postal address supplied to the customer in the service agreement.
- v. Should a customer fail to pay the arrears on the due date stipulated in the notice, the full outstanding balance of the annual rates shall immediately become due and payable and the Municipality shall then be entitled to institute legal action for the recovery thereof.

(v1) The provisions of Section 26 (2.1) (v) shall mutatis mutandis be applicable to this par (2.2)

3. SUNDRY AND HOUSING ACCOUNTS

i. If a debtor's account is in arrears for a period of 30 days or more, a letter of demand shall be forwarded to a debtor, demanding payment of the arrear amount, and in which notice the amount is stipulated and the date for payment thereof is indicated, which date shall not be less than 14 days after date of dispatch of the said notice;

ii. The debtor will be deemed to have received a notice on the same day if delivered by hand, email, and telefax transmission, on the 3rd day after the date of posting if posted by ordinary mail and on the 4th day after the date of posting if posted by registered mail.

iii. The Municipality may thereafter institute legal action for recovery of the amount owing.

iv. Property purchased from the Municipality sold by suspensive sale agreement shall be repossessed in terms of the written agreement between the debtor and the Municipality if payment of the purchase price is in arrears for more than 30 days.

4. INTEREST ON OVERDUE ACCOUNTS

Interest will be charged on all accounts not paid by due date in accordance with applicable legislation and as determined by the Municipality from time to time. Such interest will be levied and capitalised monthly in arrears on the monthly outstanding balance from due date and will be calculated for a full month irrespective of when payment is made. Such interest charged shall appear on the following month's account.

5. LEGAL PROCESS

- i. Where the services of outside parties are utilised for debt collection, inclusive of debt collection agencies and/or attorneys, such entities shall comply with such code of conduct as may be prescribed by their respective professional bodies.
- ii. The Municipality may release the credit information regarding a customer's account to credit bureaus or any other statutory institution as may be lawfully entitled to it. Apart from the

above, such information shall remain confidential and may be released or divulged to any person or entity without prior written consent of the customer,

- iii. A customer's particulars shall only be removed from an adverse credit listing after payment of the full account outstanding together with interest and penalties as prescribed have been paid by means of cash or a bank guaranteed cheque.
- iv. In the case of default judgments entered into against a customer or debtor, such customer or debtor shall at his/her own cost appoint an attorney to rescind the judgment and the Municipality shall not oppose the same, on condition that the full outstanding balance of the account together with interests and other charges as prescribed have been paid.

6. THEFT, FRAUD AND TEMPERING

- 1) No person shall in any manner or for any reason whatsoever tamper or interfere with any apparatus;
- 2) The Municipality shall have the right to immediately terminate the supply of services of a customer where prima facie evidence of tampering, theft or wilful damage to any apparatus, without prior notice to the customer;
- 3) In cases where the tampering has resulted in the meter recording less than the true consumption, the Municipality shall have the right to recover the full cost of his/her estimated consumption

- 4) The total amount owing, including interest charges, assessment of the unauthorised consumption, damages and discontinuation and reconnection fees as well as increased deposits as determined by the Municipality, if applicable, shall be due and payable before any service shall be reconnected.
- 5) No person shall fail to provide information reasonably required regarding investigation into or inquiries in connection with tampering, theft or wilful damage to property of a Municipality or used in connection with the provision of services or provide false information in connection therewith;
- 6) The Municipality may, where prima facie evidence exists regarding the withholding of information or provision of false information, immediately and without notice to the customer disconnect or restrict services and the provision of this paragraph regarding the reconnection of services shall mutatis mutandis apply;

7. COST OF COLLECTION

All costs and charges, interest, administration and collection costs, all penalties, surcharges, damages, service discontinuation and reconnection costs, assessment costs and all legal costs, fees and disbursements incurred in the collection of a debt shall be for the account of the customer or debtor as the case may be and the customer or debtor as the case may be shall be liable to pay legal costs on an attorney and client basis.

8. MAGISTRATE COURT JURISDICTION

The Magistrate Court shall have jurisdiction to adjudicate any action, notice of motion or application in terms of this By-Law, notwithstanding the amount involved.

9. IRRECOVERABLE DEBT

- 1) The Municipality, in the case of charges due or where it is the Service Provider, shall only abandon recovery of a debt owed to it in one or more of the following circumstances;
 - i. Insolvency or demise of the customer or debtor as the case may be, if proven that his or her estate has insufficient funds to make payment;
 - ii. A balance being too small to recover the reasons considering the costs of recovery;
 - iii. Where the claim has become prescribed;
 - iv. When the customer or debtor as the case may be relocates and tracing agents are unable to trace the current whereabouts of such person;
 - v. All reasonable notifications and

cost-effective legal avenues to recover the outstanding amount have been exhausted;

- vi. The amount outstanding is the residue of the payment of a dividend from an insolvent estate or where there is a danger of contribution in proving a claim against the insolvent estate.
- vii. If the debt outstanding cannot be proved;
- viii. The outstanding amount is due to an administrative error by the Municipality;
- ix. By Council resolution on good cause shown.

(2) Notwithstanding the above the Municipality shall be under no obligation to write off any particular debt.

10. OFFENCES

Any person who:

- a) Fails to give access required by the council or its authorized agent in terms of the By-Laws;
- b) Obstructs or hinders the Council or its authorized agent in the exercising of the powers or performance of functions or duties under these By-Laws;
- c) supply equipment and reticulation network or consumption of

services rendered;

- d) Fails or refuses to give the Council or its authorized agent such information as may be reasonably required for the purposes of exercising the powers or functions under these By-Laws or gives such Council or its authorized agent false or misleading information, knowing it to be false or misleading;
- e) Contravenes or fails to comply with a provision of these By-Laws;
- f) Fails to comply with the terms of a notice served upon him/her in terms of these By-Laws; shall be guilty of an offence and liable upon conviction to a period not exceeding six months imprisonment or community service or a fine not exceeding R6 000.00 or a combination of the aforementioned, subject to prior discussion with the Chief Magistrate.

11. SHORT TITLE

This By-law is the Credit Control and Debt Collection By-law of the Thembisile Hani Local Municipality, 2012.

12. COMMENCEMENT DATE

This By-Law takes effect on the date of proclamation in the Provincial Gazette.

ANNEXURE A

Physical Address		
Period of service		
Credit References		
1. Name of Company		Account No
Address		Tel No
2. Name of Company		Account No
Address		Tel No

Particulars of Owner (if not Applicant)		
Name of corporate entity		
Registration number of corporate entity		
Surname	Initials	
ID Number		
Occupation		
Tel No.		
Cell No.		
Physical Address		Postal Address
Property to which Municipal services must be provided		
Suburb		
Zone		
Stand No		
Street Name		
Street Number		
Number of persons over the age of 18 years living on the property		
Type of Municipal services to be provided		
Water Supply Services		
Sanitation Services		
Electricity Services		

Refuse Removal Services	
Date on which provision of services should commence	

Payment Details	
Cash (Including cheque and Credit Card)	
Debit Order	
Stop Order	
Other method of electronic transfer	
Bank Details	Branch
	Account Number

A CERTIFIED COPY OF THE APPLICANT'S IDENTITY DOCUMENT / POWER OF ATTORNEY MUST BE ATTACHED TO THE APPLICATION

I / We hereby –

- a) Apply for the provision of Municipal services to be provided to the above property;
- b) Accept the conditions applicable to the provision of Municipal Services as set out on the Municipality's By-Laws and the Conditions of Supply of any service provider of the Municipality ;
- c) Declare that I / We was / were informed that the documents referred to in (b) are available for inspection at the offices of the Municipality during office hours;
- d) Declare that this application forms and implications thereof was explained were explained to me / us;
- e) Declare that all payments due and payable by me / us in pursuance of this application shall promptly be paid by me / us on the due date; and
- f) Declare that the information provided in this application form is true and correct.

Applicant

Municipality / Authorized agent

Date

Date

Signature of owner (if not Applicant)

Date

CERTIFICATION BY MUNICIPALITY

The consequences of the above declaration made by the Owner / Applicant were explained to him/her/it and that he/her/it indicated that the contents of the application were understood

Municipality / Authorized Agent

Date

FOR OFFICIAL USE ONLY

Deposit paid	Date
	Amount
	Receipt Number
Account Number	
Commencement date of services	
Area Code	

**ANNEXURE B: APPLICATION FOR REGISTRATION AS
AN INDIGENT CUSTOMER**

THEMBISILE HANI MUNICIPALITY

APPLICATION FOR REGISTRATION AS AN INDIGENT CUSTOMER

Note: an application for Municipal Services must be completed on submission of this application.

Particulars of Applicant			
Surname		Initials	
ID Number			
Marital Status			
If married: In/Out of Community of Property			
Occupation			
Tel No.			
Cell No.			
Physical Address		Postal Address	
Number of properties owned by applicant and all members of the household			
Details of properties, if applicable			
Property 1	Physical Address		
	Name of Owner		
	Name of bondholder		
	Account Number		
	Deed Registration Number		
	Type of Structure		

Property 2	Physical Address
	Name of Owner
	Name of bondholder
	Account Number
	Deed Registration Number
	Type of Structure

Is property/properties of a portion thereof leased to a third person? YES/NO			
If leased, rent received			
Number of all members in household			
Combined gross income of all members of the household per month			
Details of all members of the household over the age of 18 years resident at the property			
1. Surname			2. Surname
Full name			Full name
ID Number			ID Number
Employed (Y/N)			Employed (Y/N)
Salary including benefits (if relevant)			Salary including benefits (if relevant)
3. Surname			4. Surname
Full name			Full name
ID Number			ID Number
Employed (Y/N)			Employed (Y/N)
Salary including benefits (if relevant)			Salary including benefits (if relevant)
5. Surname			6. Surname
Full name			Full name
ID Number			ID Number
Employed (Y/N)			Employed (Y/N)
Salary including benefits (if relevant)			Salary including benefits (if relevant)
Details of any other income received by household (i.e. such as old age pension, disability pension, welfare etc)			
1. Type of income			2. Type of income
Institution			Institution
Amount			Amount
Reference no			Reference no
3. Type of income			4. Type of income
Institution			Institution
Amount			Amount
Reference no			Reference no

5. Type of income			6. Type of income
Institution			Institution
Amount			Amount
Reference no			Reference no
Details of monthly expenses of household			
1. Groceries			2. School fees
3.			4.
5.			6.
7.			8.
9.			10.

Details of current debts of household			
1. Institution			2. Institution
Account Number			Account Number
Amount owing			Amount owing
3. Institution			4. Institution
Account Number			Account Number
Amount owing			Amount owing
5. Institution			6. Institution
Account Number			Account Number
Amount owing			Amount owing

Details in respect of legal or other actions taken against me/us in respect of current expenses/debts of the household: (i.e. Administration orders, sequestrations, other court order, listed with the Credit Agency, etc)			
1. Institution			2. Institution
Type of action			Account Number
Case No			Amount owing
Amount owing			
3. Institution			4. Institution
Account Number			Account Number
Amount owing			Amount owing
5. Institution			6. Institution
Account Number			Account Number
Amount owing			Amount owing

The following documents must be attached:-

1. Documentary proof of income (such as letter from the customer's employer, a salary advice, a pension card, unemployment fund card, etc.)

; or

2. **An affidavit declaring unemployment or income; and**
3. **Latest Municipal Account in the possession of the customer; and**
4. **A certified copy of the applicant's Identity Document**

A. I hereby –

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

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

1. The Municipality or its authorized agent may send authorized representatives to the premises of households applying for registration as indigent customer to conduct an on-site audit of information provided prior to the approval of an application of any time thereafter.
- 2 An application shall be approved for a period of twelve (12) months only.
- 3 The Municipality or its authorized agent may on approval of an application or any time thereafter –
 - 3.1 install a pre-payment electricity meter for the indigent customer where electricity is provided by the Municipality or its authorized agent; and
 - 3.2 limit the water supply services of an indigent customer to a basic supply of not Less than 6 (six) kilolitres per month.
- 4 An indigent customer must annually re-apply for registration as an indigent customer, failing which the assistance will cease automatically;
- 5 The Municipality or its authorized agent gives no guarantee of renewal;
- 6 The Municipal Council may annual budgetary process determine the Municipal Services and levels thereof that will be subsidized in respect of indigent customers in accordance with national policy, but subject to principles of sustainability and affordability.
- 7 Any other Municipal Services rendered by The Municipality or its authorized agent /Municipal services consumed in excess of the quantities specified in 6 above shall be charged and the indigent customer shall be liable for the payment of such charges levied in the excess consumption.
- 8 Arrears accumulated in respect of the Municipal accounts of customers prior to registration as indigent customers will be suspended, without interest accumulating in respect to such arrears, for a period that the customer remains registered as an indigent customer.
- 9 Suspended arrears shall become due and payable by the customer in monthly Instalments as determined by the Municipality or its authorized agent, on De-registration.
- 10 Arrears suspended for a period of two(2) years or longer shall not be recovered From a customer on de-registration;
- 11 The Municipality or its authorized agent may undertake regular random audits to:
 - 11.1 verify the information given by indigent customers;
 - 11.2 record any changes in the circumstances of indigent customers; and
 - 11.3 make recommendations on the de-registration of the indigent customer
- 12 Any customer who provides or provided false information on the application form or any other documentation and information in connection with the application-
 - 12.1 Shall automatically, without notice be de-registered as an indigent customer from the date on which the Municipality or its authorized agent became aware that such information is false; and
 - 12.2 Shall be held liable for the payment of all services received;
 - 12.3 In addition to any other legal actions, the Municipality or its authorized agent May take against such customer.
- 13 An indigent customer must immediately request de-registration by the Municipality or its authorized agent if his or her circumstances have changed to the extent that he or she no longer meets the qualifications set out in the by-laws.
- 14 An indigent customer shall automatically be de-registered if an annual application is is not made or if such application is not approved.
- 15 An indigent customer shall automatically be de-registered if an audit or verification

concludes that the financial circumstances of the indigent customer have changed to the extent that he or she no longer meets the qualifications set out in the by-laws.

16 An indigent customer may at any time request the de-registration

Applicant

Municipality / Authorized agent

Date

Date