

KWADUKUZA MUNICIPALITY CREDIT CONTROL AND DEBT COLLECTION POLICY 2020/2021

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“authorised agent”	<p>Means</p> <ul style="list-style-type: none"> (a) any person authorised by the municipality to perform any act, function or duty in terms of, or exercise any power under these bylaws, and/or (b) any person to whom the municipality has delegated the performance of certain rights, duties and obligations in respect of providing revenue services; and/or (c) any person appointed by the municipality in terms of a written contract or a service provider to provide revenue services to customers on its behalf, to the extent authorized in such contract.
“average consumption”	Means the average consumption of a customer of a municipal service during a specific period, which consumption is calculated by dividing the customer’s total measured consumption of that municipal service over the preceding six months by six.
“Chief Financial Officer”	Means a Person employed by the Municipality as its Chief Financial Officer.
“account”	Any account rendered for municipal services; sundry charges, housing services and rates.
“Act”	The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time.
“actual consumption”	Means the measured consumption of any customer.
“administration charge”	A fee charged on the capital rates then in arrears as determined by council from time to time;
“agreement”	Means the contractual relationship between the Municipality or its authorised agent and a customer, whether written or deemed.
“applicable charges”	Means the rate, charge, tariff, flat rate, or subsidy determined by the Municipality.
“area of supply”	Means any area within or partly within the area of jurisdiction of the municipality or such other areas where the service is requested.
“arrears”	Any amount due, owing and payable by a customer to the Municipality in respect of municipal services, sundry charges, housing services and rates not paid by due date.
“arrangement”	Means written agreement entered into between the Council and the debtor where specific repayment parameters are agreed.

PREAMBLE WHEREAS Section 95 of the Local Government: Municipal Systems Act 32 of 2000 obliges the Municipality to establish a sound customer management system that aims to create a positive and reciprocal relationship between persons liable for these payments and the Municipality;

AND WHEREAS Section 96 of the Local Government: Municipal Systems Act 32 of 2000 provides that a Municipality must collect all money that is due and payable to it for this purpose, must adopt, maintain and implement a credit control and debt collection policy which is consistent with its rates and tariff policies;

AND WHEREAS Section 97 of the Local Government: Municipal Systems Act 32 of 2000 provides that the credit control and debt collection policy must provide for credit control and debt collection procedures and mechanisms as well as provision for indigent debtors that is consistent with its rates and tariff policies and any national policies on indigents.

IT IS HEREBY ADOPTED: A Credit Control and Debt Collection Policy of the KwaDukuza Municipality.

CREDIT CONTROL AND DEBT COLLECTION POLICY

PART A – CREDIT CONTROL PROCEDURES

1. DEFINITIONS:

For the purpose of this policy, the wording or any expression has the same meaning as contained in the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time, except where clearly indicated otherwise and means the following:

“commercial customer”	Means any customer other than household and indigent customers
“connection”	Means the point from which a customer gains access to municipal services.
“Consolidated Bill”	A monthly bill reflecting all monies due to the Municipality in terms of Section 102 of the Act for electricity, refuse rates, vat and sundry charges.
“Councilor”	Means a person as defined in terms of the Act;
the Municipality.	All functions and processes relating to the collection of monies owed to “Credit Control”
“customer”	A person <i>or owner</i> with whom the Municipality or its authorised agent has concluded an agreement or has an account with the Municipality
“debtor”	Means any person indebted to the Municipality;
“defaulter”	Means any customer or ratepayer in arrears.

“deposit”	An amount required as security to be determined by the Municipality.
“due date”	<p>(i) <u>Monthly</u> The monthly date on which all accounts become due and payable which date shall be within 30 days after the date of the account during normal cashier hours.</p> <p>(ii) <u>Annual</u> Where the owner has entered into an agreement with the Municipality to pay property rates annually, the due date shall be a date to be determined by Council.</p>
“estimated consumption”	Means the deemed consumption by a customer whose consumption is not measured during a specific period, which estimated consumption is rationally determined taking into account at least the consumption of municipal services for a specific level of service during a specific period in the area of supply of the municipality or its authorised agent.
“household customer”	Means a customer that occupies or owns a dwelling, structure or property primarily for residential purposes.
“household”	Means a traditional family unit consisting of a combination of persons.
“housing services”	Means any rental (rates if applicable) instalment, administration charges, insurance premiums and housing interest.
“interest”	A charge with the same legal authority as service fees and calculated at a rate determined by Council from time to time on all arrear accounts (capital only).
“illegal connection”	A connection to any system through which the municipal services are provided, which is not authorised or approved by the Municipality or its authorised agent.
“Indigent Customer”	Means a household customer qualifying and registered with the municipality as an indigent.
“MFMA”	Means the Municipal Finance Management Act No 56 of 2003
“Municipal Clearance Certificate”	Means a certificate issued by the Municipality in terms of Section 118 of the Municipal Systems Act, which certifies that all amounts that became due in connection with the property for municipal service fees, surcharge on fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate have been fully paid. The certificate issued will be valid for a period of 60 days from date of issue.
“Municipality or Council”	Means the KwaDukuza Municipal Council and includes the Mayor, Political Office Bearers, Political Structures, Municipal Manager and any Official who has delegated powers in terms of Section 59 of the Local Government Municipal Systems Act (Act No. 32 of 2000).

“municipal area” Means the geographical area of the KwaDukuza Municipality as determined by the demarcation board in terms of the Demarcation Act No. 27 of 1998.

“municipal manager” Means the person appointed by the municipality as the manager of the municipality in terms of section 55 and 57 of the Municipal Systems Act read with Section 82 of the Local Government Municipal Structures Act 1998 (Act No. 117 of 1998) and includes any person:

- (a) acting in such position; and
- (b) to whom the municipal manager has delegated a power, function or duty in respect of such a delegated power, function or duty.

“municipal service” Means services provided by the municipality or its authorised agent, including refuse removal and electricity services.

“occupier” Includes any person in actual occupation of the land or premises without regard to the title under which he occupies, and in the case of premises sub-divided and let to lodgers or various tenants, shall include the person receiving the rent payable by lodgers or tenants whether for his own account or as an agent for any person entitled thereto or interested therein.

“owner” a. the person in whom from time to time is vested the legal title to immovable property;

b. in case where a person in whom the legal title to immovable property is vested is insolvent or deceased, 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;

c. in any case where the Municipality or its authorised agent is unable to determine the identity of such person, a person who is entitled to the benefit of the use of such immovable property or a building thereon;

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

e. in relation to:

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

ii a section as defined in the Sectional Title 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 person; or

- iiia „Home Owners Association”, which includes all members of the Association.
 - f. the Ingonyama Trust, where the land is vested in the Trust by virtue of the provisions of the Ingonyama Trust Act No. 3 of 1994.
 - g. any legal person including but not limited to:
 - i a company registered in terms of the Companies Act, (Act 61 of 1973), a trust, a close corporation registered in terms of the Close Corporation Act, (Act 69 of 1984) a voluntary association and any department of State;
 - ii any Council or Board established in terms of any legislation applicable to the Republic of South Africa;
 - iii any Embassy or other foreign entity.

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

“public notice” Means publication in an appropriate medium that may include one or more of the following: -

- (a) publication of a notice, in an official language determined by the Municipality in the local newspaper or newspapers in the area of the municipality; or in the newspaper or newspapers circulating in the area of the municipality determined by the Municipality as a newspaper on record; or by means of radio broadcast covering the area of the municipality; or displaying a notice at appropriate offices and pay-points of the municipality or its authorised agent, or
- (b) communication with customers through public meetings, on the municipality’s website, electronic communication, and ward committee meetings.

“Rates” Municipal tax levied on the valuation of property. The rate is expressed as cents in the rand.

“Rates Act” Municipal Property Rates Act 6 of 2004.

“Ratepayer” Means a person who is liable to the Municipality for the payment of:

- a) Rates on the property within in the Municipal area.
- b) Any other tax, duty or levy imposed by the Municipality, and/or
- c) Fees for the services provided either by the municipality or in terms of a service delivery agreement

“resident”	Means a person who ordinarily resides in the Municipal area;
“Service Authority”	Means the power of a Municipality to regulate the provision of a municipal service by a service provider;
“Service Delivery Agreement”	Means an agreement between a municipality and an institution or person mentioned in section 76(b) of the Act in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the Municipality.
“Service provider”	Means a person or institution or any combination of persons and institutions which provide a municipal service;
Service Utility”	Means a municipal entity established in terms of Section 82 B of the Act;
“Staff”	Means the employees of the municipality, including the municipal manager;
“supply zone”	Means an area, determined by the municipality or its authorized agent, within which all customers are provided with service from the same bulk supply connection;
“social housing tenant”	Any person letting / leasing any residential premises from any public Legal body for less than a full rack rental or letting / leasing residential premises from a private person and receiving from the National / Provincial Government a subsidy or other amount to empower the tenant to pay the full rack rental.
“Tamper with supply of power”	Means the unauthorized or illegal consumption of electricity by unauthorized or illegal reconnection of electricity without authority.

“unauthorized services” Means receipt, use or consumption of any municipal service which is not in terms of an agreement, or authorised approval by the municipality or its authorised agent.

“Vat” A charge legislated in terms of the Vat Act, No 89 of 1991 as amended

“Sundry charges” Any charge excluding a municipal service, housing service and rates.

2. **PURPOSE**

This policy has been compiled as required in terms of Section 96 & 97 of the Local Government: Municipal Systems Act 32 of 2000 and is designed to provide credit control and debt collection procedures and mechanisms.

3. **APPLICATION FOR MUNICIPAL SERVICES**

3.1 *APPLICATION FOR ELECTRICITY SERVICES (CONVENTIONAL METERS)*

3.1.1 The Municipality shall whenever possible, combine any separate accounts of persons who are owners and consumers that are liable for payment to the municipality, into one consolidated account.

3.1.2 All new applications for services shall be only be accepted from the owner and shall be linked to the rates account or name of the owner and not deemed a separate account, except where separate individual units account shall be opened under the name of the owner.

3.1.3 No application or amendment to the customer database can be processed unless legal documentation acceptable to the Chief Financial Officer or in his absence the Director Revenue **or the Director Legal or the Municipal Manager in consultation with the Chief Financial Officer and Director Revenue**, has been produced in each instance;

3.1.4 With respect to a residential application, the owner of the property shall submit the following documents:

- a) Certified copy of identity document or passport;
- b) A letter from the transferring attorney confirming ownership or a copy of the Title Deed; and
- c) Ratable details or rate number of the property, if available.

3.1.5 With respect to a commercial application the following documents must be produced:

- (a) The Certificate of Registration or incorporation of the Company, CC, Trust, Partnership or Sectional Title Body Corporate.
- a) Certified copy of the identity document or passport of one of the directors, members, trustees or owner in the case of a sole proprietor, who would open an account.

- b) The names, identity number, cell phone number, physical and postal addresses, email addresses and any other particulars of all the directors or members or trustees or proprietors or partners, as maybe prescribed.
- c) Letters of authority in the case of a partnership or sole proprietor.
- d) Personal sureties from one or more of the Directors / Members of a Company / CC / Trust or Partnership
- e) VAT registration numbers if applicable
- f) Landlords consent / lease agreement / agents mandate between landlord / agent
- g) In the event of the company leasing the property a letter from the owner giving consent to the tenant to apply for Municipal services.
- h) All information furnished shall be verified by the Municipality with any or all data information institutions, credit information bureau"s and any financial institutions as may be deemed necessary by the Municipality in determining a person"s credit worthiness or for any other reason as determined by the CFO.
- i) The Municipality has a right to conduct a full credit check of any person who is or will become subject to this policy or any other policy of the Municipality.

3.1.6 Customers who fail to apply for services and who illegally consume services will be subjected to punitive measures or such civil or criminal action as the Municipality deems appropriate in terms of Section 45 of the KwaDukuza Municipality Bylaws relating to Credit Control and Debt Collection.

3.1.7 If there is an outstanding debt on the property, this debt must be settled in full or before the new customer is registered

3.1.8 New applications for services from customers who are in arrears with any other municipal accounts shall not be approved unless the arrears have been settled in full.

3.1.9 Any application for any existing supply of services to any premises must be made at least four working days prior to the service being required, in the prescribed format, and must comply with the conditions as determined by the Municipal Manager or his or her delegate from time to time.

3.1.10 No services shall be supplied unless and until application has been made by the Owner, a service agreement in the prescribed format has been entered into, the deposit has been paid and if applicable the relevant service demand base component and electricity connection fees has been paid.

3.1.11 The municipality shall require an applicant to submit information and documentary proof so as to enable it to bring its records up to date and to assess the creditworthiness of the applicant and may require such information to be provided on oath.

4. SPECIAL AGREEMENTS FOR MUNICIPAL SERVICES

The municipality or its authorised agent may enter into a special agreement for the provision of municipal services with an applicant: -

- 4.1. within the area of supply; if the services applied for necessitates the imposition of conditions not contained in the prescribed form or these bylaws;
- 4.2. Receiving subsidized services; and
- 4.3. If the premise to receive such services is situated outside the area of supply, provided that the municipality having jurisdiction over the premises has no objection to such special agreement. The obligation is on the customer to advise the municipality having jurisdiction of such special agreement.

5. CHANGE IN PURPOSE FOR WHICH MUNICIPAL SERVICES ARE USED

Where the purpose for or extent to which any municipal service used is changed, the onus and obligation is on the customer to advise the municipality or its authorised agent of such change and to enter into a new agreement with the municipality or its authorised agent.

PART 2 APPLICABLE CHARGES

6. APPLICABLE CHARGES FOR MUNICIPAL SERVICES

6.1. All applicable charges in respect of municipal services, including but not limited to the payment of connection charges, fixed charges or any additional charges or interest will be set by the Municipality in accordance with: -

- (a) Its tariff of charges;
- (b) Its credit control and debt collection policy and any other applicable policy;
- (c) Any bylaws in respect thereof; and
- (d) Any regulations in terms of national or provincial legislation.

6.2. Applicable charges may differ between different categories of customers, users of services, types and levels of service, quantities of service, infrastructure requirements and geographical areas.

7. AVAILABILITY CHARGES FOR MUNICIPAL SERVICES

The Municipality shall, as prescribed in the tariff of charges for municipal services, levy a monthly fixed charge, annual fixed charge or once-off fixed charge where such services are not consumed.

8. **SUBSIDISED SERVICES**

- 8.1. The Municipality may, from time to time, and in accordance with National Policy, but subject to principles of sustainability and affordability, by public notice, implement subsidies for a basic level of municipal service.
- 8.2. The Municipality may, in implementing subsidies, differentiate between types of household customers, types and levels of services, quantities of services, geographical areas and socioeconomic areas.
- 8.3. Public notice in terms of subsection (1) must contain at least the following details applicable to a specific subsidy;
 - (a) Household customers who will benefit from the subsidy.
 - (b) The type, level and quantity of municipal service that will be subsidised.
 - (c) The area within which the subsidy will apply.
 - (d) The rate (indicating the level of subsidy).
 - (e) The method of implementing the subsidy.
 - (f) Any special terms and conditions which will apply to the subsidy.
- 8.4. If a household customer's consumption or use of a municipal service is: -
 - (a) Less than the subsidised service, the unused portion may not be accrued by the customer and will not entitle the customer to cash or a rebate in respect of the unused portion; and
 - (b) In excess of the subsidised service, the customer will be obliged to pay for such excess consumption at the applicable rate.
- 8.5. A subsidy implemented in terms of subsection (1) may at any time, be withdrawn or altered in the sole discretion of the Municipality, after: -
 - (a) Service of notice as contemplated in Section 115 of the Act on the person affected by the Municipality's intention to consider such withdrawal or alteration; and
 - (b) Consideration by the Municipality of any comments or request received from the person affected.
- 8.6. Commercial customers shall not qualify for subsidised services.
- 8.7. Subsidised services shall be funded from the portion of revenue raised nationally which is allocated to the municipality and if such funding is insufficient the services may be funded from revenue raised through rates, fees and charges in respect of municipal services.

9. DEPOSITS FOR MUNICIPAL SERVICES

9.1 Deposits, *as prescribed in the tariff of charges*, will be due and payable on application by new customers and subject to review upon the movement of existing customers to a new address.

9.2 At the time of registration for a municipal service, a cash deposit and electronic fund transfer shall be required based on the following criteria:

9.2.1 Property Owners

- a) Owners are requested to pay a consumption deposit as per the tariff of charges as approved by Council.
- b) Property owners may provide a guarantee from a Bank in lieu of a cash deposit but no application will be processed until either cash, or a guarantee is provided.

9.2.2 Tenants

Commercial tenants who wish to register for electricity consumption will be required to pay a deposit as per the tariff of charges as approved by Council and will not be able to reduce this amount by committing to direct debit payments. They may provide a guarantee from a Bank in lieu of a cash deposit but no application will be processed until either the required payment or a guarantee is provided.

This provision does not apply to social housing tenants.

9.2.3. Increase in Deposits

The value of the original deposit paid or a guarantee held will be reviewed, on a regular basis, if an irregular and unacceptable payment plan is identified, the customer shall be notified in writing of the revised deposit.

9. 3(a) The deposit held shall be utilized to settle the arrear account after final account has been rendered.

9.3 (b) Where the account is in arrears for more than 60 days, the deposit shall be increased by three months average consumption.

9.3 (c) Where the customer poses a credit risk

9.3 (d) Where payment by negotiable instrument or direct debit is dishonoured for more than two times.

9.3(e) Where there is an application for an upgrade to electricity supply.

10. ACCOUNTS

10.1. Accounts shall be rendered monthly to customers at the address last recorded with the municipality or its authorised agent. The customer may receive more than one account for different municipal services if they are accounted for separately.

10.2. An error or omission in any account or failure to receive or accept an account does not relieve a customer of the obligation to pay an amount due and payable.

- 10.3. Accounts must be paid by no later than the last date of payment specified in such account.
- 10.4. a) Assessment rates shall be billed on a monthly basis in terms of Section 64 (2) (b) of MFMA.
b) annually, as may be agreed to with the owner of the property on or before a date as determined by the Municipality
c) *The Municipality shall recover a rate annually for National and Provincial Government owned properties.*
- 10.5 Monthly rates shall be levied in eleven equal installments, and subject to change as determined by *Council* from time to time.
- 10.6 The Municipality will undertake to have the accounts mailed to all customers. However, failure to receive or accept accounts does not relieve a customer of the obligation to pay any amount due and payable. The onus is on the customer to make every effort to obtain a copy account for payment, and to keep the municipality apprised at all times of any changes to his/her/it's personal details.
- 10.7 The Municipality or its authorised agent must, if administratively possible, issue a duplicate account to a customer on request. Landlords may request copies of their tenants' accounts.
- 10.8 The Accounts shall reflect at least:
- a. The services rendered
 - b. The consumption of metered services or average, or estimated consumption.
 - c. The applicable charges
 - d. The amount due
 - e. property rates payable
 - f. Surcharges
 - g. Value Added Tax
 - h. Any rebates
 - i. The adjustments, if any, to metered consumption that has been previously estimated.
 - j. The arrears
 - k. The interest payable on arrears
 - l. The final date of payment
 - m. The methods, places and approved agents where payment may be made.
 - n. Administration charges

- o. Payments received.
- p. Period stipulated in the account.
- q. Any subsidies.
- r. Any other adjustments

10.9. The Municipality shall post the rates assessment.

11. PAYMENT OPTIONS

11.1 The Municipality must endeavor to establish a payment network to ensure that, wherever practically possible, customers in receipt of accounts have access to a payment site.

11.2 Customers must ensure that payments made through **third party agents** are made at least 3 working days prior to the due date. The Municipality will not accept responsibility for delays in receipt of payments.

11.3 The following payment methods are also available:

- (i) Cash
- (ii) EFT
- (iii) Internet Transfers;
- (iv) Third party collectors appointed from time to time by the Municipality;
- (v) Direct Debit (ACB)
- (vi) Credit card or debit card
- (vii) Debit Order payments

11.4 The following shall apply for all payments from debtors:

- (i) Proof of payment from debtors shall be required if payment is not yet receipted on the debtor account.
- (ii) Proof of payment from the customers will be verified, where applicable, for authenticity.

11.5 Where a Customer signs an application for services with the Municipality, payment shall, as far as possible be accepted via a direct debit procedure

12. DISHONoured PAYMENTS

Where any payment made to the Municipality or its authorised agent by negotiable instrument, is later dishonoured by the bank, the municipality or its authorised agent:

- a) shall recover all applicable charges.
- b) shall regard such an event as a default on payment and shall disconnect services without notice and or reserves the right to take legal action.
- (c) Shall require all future payments to be made by cash or electronic fund transfer in an event where more than two debit order payments from the debtor have been dishonoured by the bank.

13. CASH ALLOCATION PRIORITIES

13.1 When part payments are received against a Consolidated Account, the Municipality shall allocate such payments first to the oldest debt and then to the current debt in terms of the following table of priorities as determined from time to time:

PRIORITY NO.	STATUS	SERVICE
1	Arrears	All other Municipal charges including interest, administration charges and penalties.
2	Arrears	Additional Deposits
3	Arrears	Sundry Charges
4	Arrears	Housing Charges
5	Arrears	Refuse Charges
6	Arrears	Rates
7	Arrears	Electricity Charges
8	Current	All other Municipal charges including interest, administration charges and penalties.
9-	Current	Additional Deposits
10	Current	Sundry Charges
11	Current	Housing Charges
12	Current	Refuse Charges
13	Current	Rates
14	Current	Electricity Charges
15	Vat	Will be allocated in terms of the Vat Act of 1991

14. RESPONSIBILITY FOR AMOUNTS DUE AND PAYABLE

- 14.1. Any amount due to the municipality for municipal service fee, surcharge on fees and any other municipal taxes and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property.
- 14.2. Accordingly, all such municipal debts shall be a charge upon the property and shall be payable by the owner of the property, notwithstanding the provisions of any other sections of the bylaws.
- 14.3. Any person who purchases or otherwise acquires or leases immovable property from the Municipality shall be deemed to be the owner thereof from the date of such purchase or other acquisition by him or from the commencement of such lease, as the case may be.
- 14.4. Where the property is owned by more than one person, each such person shall be liable jointly and severally for all Municipal debts charged on the property.
- 14.5. Owners shall be held jointly and severally liable, with their tenants who are registered as customers for municipal services.
- 14.6. Tenants and/or agents shall be held liable for arrear rates restricted to the rental, in terms of the Section 28 of the Municipal Property Rates Act No.6 of 2004.
- 14.7. When electricity consumption is recorded on a property during a period for which there is no registered customer against whom a bill can be raised the relevant charges shall be raised against the registered owner.
- 14.8. When a customer terminates a consumption account and no new customer registers, a property is deemed to be unoccupied. The owner shall be responsible for the account.
- 14.9. When the property is owned by Company or Close cooperation, Trust in terms of the Trust Property Control Act No 57 of 1988, Home Owners Association or a Body Corporate in terms of the Sectional Titles Act, 1986 (Act No 95 of 1986), each member, director or Trustees shall be liable jointly and severally for all Municipal debts charged on the property.
- 14.10. Where the company has been deregistered and there are amounts due to the municipality, the municipality or its authorised agent shall apply to the Companies and Intellectual Property Commission to re-register a deregistered company or close corporation or apply to court for an order of restoration or the voiding of the deregistration for the purposes of recovering the amounts owed by that company or close corporation for all municipal debts which have accrued and shall recover the costs of reregistration from the directors or members accordingly.
- 14.11. The Municipality shall attach the rental or any other payments due to lessors where they are also a debtor who are in arrears with their municipal accounts. This includes the legal principle of set-off.

15. TERMINATION / TRANSFER OF ELECTRICITY ACCOUNTS

- 15.1. A customer who intends to terminate or transfer a municipal service shall notify the Municipality in writing within 14 days prior to the date of termination or transfer and shall also furnish the Municipality with the forwarding address.
- 15.2. A final reading shall be recorded on the termination date and the customer will be billed for the consumption.

15.3 If a current tenant terminates his/her account, the meter and the outstanding debt on that property automatically reverts back to the owner account and no further applications for tenants will be accepted

15.4 The deposit shall be appropriated against the account. Should a credit balance remain on the account, after appropriation of the deposit, such credit balance may be refunded to the customer or transferred to the new municipal service.

15.5 A final account that remains unpaid for a period of 30 days shall be: -

- (a) Transferred to the owner's current account.
- (b) Recovered through our debt collection procedure.

16. INTEREST / ADMINISTRATION CHARGES ON OUTSTANDING ACCOUNTS

The Municipality shall in terms of Section 97(1)(e) read with Section 75A (as amended by G.G. No. 24149 dated 05/12/2002) of the Act:

16.1 Charge interest and or penalty as specified in the tariff of charges from time to time.

16.2 10% Administration charges raised on the outstanding rates for the current year.:

- (a) On annual rates payers:
 - ☐ 60 days succeeding the final due date.
- (b) Monthly rate payers:
 - ☐ Administration charges shall be raised on the 1st of July on all outstanding rates not paid as at the 30th June each year.
- (c) On monthly rates accounts that have been changed to annual billing as a result of arrears, a 10% administration charge will be raised 60 days after that change.

16.3 Charge all legal costs incurred for debt collection commission (if applicable) once the debt has been handed over for collection.

16.4 The general power to levy and recover administration charges and interest on any outstanding amount shall be determined by the municipality by resolution passed by the Municipal Council from time to time.

17. DEBT COLLECTION

17.1. The debt collection policy determines that municipal accounts shall be paid on the due date as indicated on the account and that non-payment of accounts will result in debt collection action. Where an account rendered to a customer remains outstanding for more than 60 (sixty) days the municipality or its authorised agent may: -

- (a) Institute legal proceedings against a customer for the arrears; or

- (b) Hand the customer's account over to a debt collector or an attorney for collection.

17.2. A customer will be liable for any legal fees, postal charges, administration fees, short and /or electronic communication in taking action for the recovery of arrears and any interest.

17.3 In the event of an occupier account being in arrears for more than 30 days, the registered owner will be informed of the arrears on the account and Council's intention of terminating the account and services and linking the meter to the owner's account. The debt will revert to the owner's account.

17.4 Council shall authorize Credit Control to adhere to the following procedure when undertaking the consolidation of accounts:

- (a) Consolidation shall be done immediately if owner and occupier accounts are the same and arrears emanates from the occupier account.
- (b) Notify the owner in writing about the consolidation, in order to ensure that the owner is aware of the meter being disconnected due to arrears if not settled by a specific date.
- (c) Accounts where the owner and the occupier are different and occupier account is in arrears: first formally inform the owner about the arrears and intentions to merge or consolidate the accounts by a specific date,
- (d) Merge only when after the said date has passed and if there are no queries or payment received.
- (e) Further, formally inform the owner that should the arrears indicated on the letter be settled prior to the specific date, should the account subsequently fall in arrears, the account will be merged immediately without further notice to the owner or occupier.
- (f) In the event the owner account is in arrears, irrespective the occupier account is up to date, the municipality shall at its discretion consolidate the occupier account into the owner account and shall credit all payments received from such occupier account in order of preference as determined by the Municipality from time to time in its Credit Control and Debt Collection Policy.

17.5. DISCONNECTION AND RECONNECTION OF ELECTRICITY OR SERVICES ON ARREAR ACCOUNTS

17.5.1 Arrears that are 30 days and older emanating on rates, services or any other consolidated debt shall result in disconnection and blocking of electricity meter or discontinuing of any services or in a restriction of use of municipal facilities.

17.5.2 A disconnection, reconnection, blocking or unblocking fee, as determined by the Municipal Council, from time to time, shall be raised on all accounts that are disconnected or blocked.

17.5.3 Any municipal official or contractor appointed by the Municipality for the purposes set out herein, may, at all reasonable times enter any premises to which services are supplied by the Municipality, in order to inspect the electricity meter, wires or any apparatus used for the supply of services and belonging to the Municipality, for the purpose of ascertaining the quantity of

services supplied or consumed, or to disconnect or terminate such supply or remove any apparatus belonging to the Municipality.

- 17.5.4 Should the owner failed to allow access to the premises on the property to which services are supplied by the Municipality on three consecutive occasions, the electricity shall be hard disconnected without any given notice.
- 17.5.5 The owner of the property remains liable and responsible for all instances of unauthorised reconnections and disconnections, Illegal connection, tampering, damage or theft of municipal infrastructure, and services installed in the property. Furthermore, the onus is upon the owner to ensure that tenants/occupiers on the premises of the property refrain from such acts. Nothing precludes the Municipality from recovering charges from the previous owner where tampering is proven by the Municipality or in a court of law, to have predated a current owner's title to the property, or where the application of the laws allows, from both the previous and current owner, jointly or severally, the one paying the other to be absolved (given that the debt attaches by law to the property).
- 17.5.6 An unauthorised reconnection or illegal connection of, or tampering with a service supply is prohibited and shall constitute a criminal offence which shall result in legal action being taken against the owner and disconnection of Municipal services or removal of the entire services supply being effected.
- 17.5.7 The Municipality shall refuse the supply of electricity to a consumer who is found guilty of fraud, theft or any other criminal offence related to Municipal services, or, where it is evident that such criminal offence has occurred, until such time as the total costs, penalties, other fees, illegal consumption and any applicable tariffs and rates due to the Municipality have been paid in full.
- 17.5.8 Reconnections or unblocking of electricity meter or municipal services in respect of arrear debtors or customers that have tampered or illegal connect with the municipal services, shall only be allowed when all applicable penalties and fees have been paid and the debt has been settled in full.
- 17.5.9 Reconnections or unblocking of electricity meter or municipal services in respect of arrear debtors that have not tampered or illegal connect with the municipal services, shall only be allowed when all applicable fees have been paid and the debt has been settled in full or an acknowledgement of debt have been concluded as per Council Policy.
- 17.5.10 The services of Customers on pre-paid meters, who tamper with their services, shall be disconnected and any amounts due to the Municipality will become payable immediately including the applicable penalties.
- 17.5.11 Where a Municipal service is to be disconnected or restricted, as contemplated in subsection 17.5.1, due notice of intention to disconnect or restrict such Municipal service will be given not only to the debtor but also to the owner of the property, or the tenant/occupier, as the case may be, in line with the Constitutional Court decision in Joseph and Others v City of Johannesburg and Others CC 43/09.

17.6 COLLECTION OF DEBTS IN RESPECT OF HOUSING RENTALS

- 17.6.1 Rental installment is payable before or on the due date.
- 17.6.2 If payment is not received on the due date, the electricity meter shall be blocked or disconnected.
- 17.6.3 A final letter of demand shall be issued requesting payment and offering the debtor an opportunity to make arrangement within 14 (fourteen) days of receipts of the letter of demand.
- 17.6.4 Failure to respond within 14 days of receipt of the final letter of demand shall results in Council proceeding with legal action and summons shall be issued.
- 17.6.5 If there is no response to the summons, it will result in a house visit from an official of Council's Property department, followed by default judgement and the ultimate sanction of eviction on the property.

18 ARRANGEMENT FOR PAYMENT OF ARREAR ACCOUNTS

- 18.1 A customer may enter into an arrangement with the Municipality for the repayment of an arrear account by concluding: Arrangement for repayment of Arrear debt may not be granted where:
 - (a) Arrears have arisen due to dishonored direct debit order reversals more than two times.
 - (b) Instances of meter tampering and illegal electricity connection have been identified, or services have been removed.
- 18.2 Where arrears do not emanate as stipulated in clause 18.1 above, the Municipality may, at its discretion, enter into an arrangement with the registered owner of the property in respect of the arrears for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies, duties and community charges. Such agreement must include maintenance of the current monthly charges.
- 18.3 All services must be consolidated into one account before an Acknowledgement of Debt is entered into.
- 18.4 Electricity/Consolidated bill/ Sundry Debtors each defaulting account holder will be allowed to make a first payment of 40% of the arrears, together with the current account irrespective of the final payment date of the current account, plus the disconnection /reconnection fees, blocking/unblocking fees, Thereafter, payment of the balance plus current instalment shall be paid over a period of six months.
- 18.5 The Chief Financial Officer or in his absence the Director Revenue or the Director Legal or the Municipal Manager in consultation with the Chief Financial Officer and Director Revenue shall be authorized to vary the arrangement as stipulated in clause 18.4 above at his/ her discretion.
- 18.6 The registered owner of the property shall enter into an arrangement with the Municipality for the repayment of the arrear account by concluding
 - (a) An acknowledgement of Debt duly signed by both parties together with an emolument order and
 - (b) The owner of the property must consent in writing to an Arrangement with the municipality and his tenant, whereby he acknowledges that he is jointly and severally liable for all arrears should the tenant default
 - (c) Acknowledge that interest will be charged at the prescribed rate.
 - (d) Acknowledge that if the arrangements being negotiated later are defaulted on, disconnection of electricity or blocked from buying electricity on the Prepayment System will follow immediately, as will legal proceedings. Acknowledge liability of all legal costs incurred.
 - (e) Only the registered owner of the property with positive proof of identity or an authorised agent with a power of attorney will be allowed to enter into an arrangement for the payment of arrear accounts in instalments.
 - (f) By entering into an arrangement to pay the customer acknowledges that failure to meet any instalment will result in prompt disconnection action being taken or the customer will be blocked from purchasing prepaid electricity and the balance of the arrear account together with the current

- account, interest raised on such account will immediately become due and payable to the municipality. This does not preclude any legal action the Municipality may take.
- (g) Prior concluding the agreement the owner shall be compelled to produce the prepaid electricity card and or conventional meter number.
- 18.7 Arrangements negotiated on business accounts shall require the arrangement to be signed by a duly authorised Director / Member of the company and or close corporation. Such director and member shall be obliged to sign a personal surety to secure the payment of the company and or close corporation's liability to the Municipality. Under no circumstances are agreements to be completed without such sureties
- 18.8 Arrangements negotiated with Trusts shall require such arrangement to be signed by a duly authorised trustee of the trust. However, all trustees are obliged to secure the indebtedness of the trust by signing a personal surety jointly and severally to secure the payment of the trusts liability to the Municipality. Under no circumstances are agreements to be completed without such sureties
- 18.9 Details of the original amount of the Arrangement, the monthly instalments, and the current balance outstanding thereon, are included on each subsequent account until such time as the arrangement is liquidated by full payment of the debt
- 18.10 A customer shall be charged interest on arrear account at the prescribed rate of interest.
- 18.11 The Municipality or its authorised agent shall require a customer to first pay its current account before entering into an agreement to pay the arrears as set out in clause 18.4 above
- 18.12 The Municipality reserves the right to:
- (a) Raise the security deposit requirement of such customer who enters into an agreement in terms of clause 9.2.3 above
 - (b) Demand that a Deed of Suretyship be completed.
- 18.13 Re-connection or unblocking of electricity meter will be effected within 48 hours of payment after the arrangement has been concluded.

19. BUSINESSES WHO TENDER TO THE MUNICIPALITY

19.1 When inviting tenders for the provision of services or delivery of goods, potential contractors shall submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the Municipality a certificate stating that all relevant municipality accounts owing by the tenderer or its directors, owners or partners have been paid or that, an acknowledgement of debts has been concluded as per Council policy(which include the right to set off in the event of noncompliance) have been made for the payments of arrears. To this end, copies of the all municipal accounts and the identity documents of all directors, members or partners must be submitted together with the bid document.

19.2 No tender shall be allocated to a person / contractor until an acknowledgement of debts for the repayment of arrears has been concluded as per Council policy. The tenderer must maintain the arrangements and pay current installments as provided for in any contract with the Municipality.

19.3 Where payments are due to a contractor in respect of goods or services provided to the Council, any arrear amount owing to the Council shall be offset as a first charge against such payments as provided for in the contract with the Municipality.

19.4 A condition allowing the Municipality to deduct any moneys owing to the Municipality from Contract payments must be written into the agreement.

19.5. DEBTORS PLACED UNDER BUSINESS RESCUE OR LIQUIDATION

- 19.5.1 When a debtor is placed under “Business Rescue” or in Liquidation, Council will disconnect the electricity to the business immediately without any notice being served.
- 19.5.2 In the event the Business Rescue Practitioner or Liquidator requires any services to continue with operation, a security deposit equal to three (3) times the average account shall be required to be paid in cash or electronic fund transfer that must be cleared on the same day.
- 19.5.3 A new consumer's agreement as prescribed in terms of this policy shall be completed in respect of the administration period while the company is under business rescue, inclusive of the provision as stipulated in 19.5.4 below.
- 19.5.4 In the event the Business Rescue Practitioner warrant that in concluding the new consumer's agreement, he acts under and in accordance with the provisions of Section 135(2) of the Companies Act and that other than as the debt may be secured in terms of Section 118(3) of the MSA, the amounts due by the company in business rescue / the Business rescue practitioner for electricity supplied during the business rescue period, shall enjoy the preference afforded by Section 135(3)(b) of the Companies Act, as post commencement finance.
- 19.5.5 Council should take part in the business rescue proceedings. In this regard, the Chief Financial Officer or his absence the Director Revenue shall attend the meetings of the Creditors.
- 19.5.6 Notwithstanding that a juristic entity may be under business rescue, the Municipality has the right to cancel a Service Agreement if the juristic entity is in breach of the agreement, or invoke any other mechanism contemplated in this Policy (other than legal proceedings) where debt remains unpaid. Such rights are in line with the 2015 Supreme Court of Appeal decision in Cloete and Another NNO vs FirstRand Bank Ltd t/a Wesbank.

RATES ASSESSMENT

20. LIABILITY FOR RATES

- 20.1. The provisions of Chapter 3 shall apply in respect of the recovery of assessment rates.
- 20.2. All assessment rates due by owners are payable by fixed date as determined by Council.
- 20.3. Joint owners of property shall be jointly and severally liable for payment of assessment rates.
- 20.4. Assessment rates shall be levied in equal monthly instalments. When levied in equal monthly instalments the amount payable shall be included in the municipal account.
- 20.5. A property owner remains liable for the payment of assessment rates included in municipal accounts, notwithstanding the fact that: -

- (a) The property is not occupied by the owner thereof; and/or
 - (b) The municipal account is registered in the name of a person other than the owner of the property.
 - (c) The furnishing of an incorrect address.
- 20.6 Rates and all other municipal charges in respect of properties situated in special rating areas as designated by Council shall be paid in full before any payment is made to the Section 21 Company.

21. MUNICIPAL CLEARANCE CERTIFICATES

Subject to Sections 118(1) and (1A) of the Act, the following shall apply to the issue of a Municipal Clearance Certificate for the purpose of effecting transfer of a property to a new owner.

21.1 Assessments

21.1.1 Application shall be made by the Conveyancing Attorney, in the prescribed format by providing the following information in respect of the property in question:

- i. Present owner of the property;
- ii. Property description;
- iii. Physical address;
- iv. Rates Account No"s;
- v. Electricity Account No"s. (Or electricity meter no"s.);
- vii Purchasers details; identity numbers and postal address and Purchasers domicilium citandi et executandi;
- viii With respect to Vacant Land, an Affidavit from the seller that the property does not have an electricity supply connection and an undertaking from the purchaser that should an electricity supply connection be discovered on the property and such account is in arrears, then the purchaser accepts liability for such arrears.

Copies of all the accounts must accompany the application. If the relevant information is not provided, the application will be returned to the conveyancer.

21.1.2 Every effort will be made to issue an assessment within five working days of receipt of application. Certain delays may be experienced in respect of:

- i. New sub-divisions;
- ii. Pending building plans;

iii. Special investigations.

With respect to the aforesaid, the following is required to be submitted to the consultant valuers:

- a. a copy of the survey diagrams/general plans;
- b. a copy of the sale agreements;
- c. a copy of the relevant proclamation notices;
- d. seller contact details; and
- e. building plans on request.

Conveyancers will be notified of possible delays.

21.1.3. The assessment shall include the following:

- i. Rates 3 months advance payment.
- ii. Refuse removal charges 3 months advance payment.
- iii. Electricity - Actual balance outstanding at date of assessment being approved less any deposit on hand.
- iv. Other - Actual balance outstanding at date of application.
- v. Municipal Certificate Fee- As per the prescribed tariff.

21.1.4 Period of validity

The assessment shall remain valid for a period of 30 days. If payment has not been received within this period, a re-assessment may be required and payment of a further municipal clearance fee will apply.

21.1.5 The onus rests with the seller to ensure:

- i that all buildings on the property are in accordance with the building plans approved by the Municipality;
- ii the premises in question are being utilized in accordance with its zoning;
- iii that all outstanding accounts accruing to the Municipality in respect of the property is fully paid.

21.1.6 Any discrepancies in respect of the above may result in delays in issuing of a clearance certificate, and in addition may result in levying of additional backdated rates and / or penalties and / or service charges.

21.1.7 Any amounts paid shall be appropriated to the oldest debt first.

21.1.8 Municipal Clearance Certificates

- i Every effort will be made to issue a Municipal Clearance Certificate within five

- days of receiving payment;
 - ii Payment on the assessment must be made in cash or electronic fund transfer
 - iii An unconditional letter of undertaking maybe accepted in lieu of a cash payment in fully motivated exceptional circumstances, and subject to the written approval of the Chief Financial Officer or in his absence the Director Revenue **or the Director Legal or the Municipal Manager in consultation with the Chief Financial Officer and Director Revenue** of the Municipality.
 - iv. The letter of undertaking must be:
 - Issued by the Conveyancing Attorney, in the prescribed format;
 - Unconditional;
 - For the full amount outstanding; and
 - For a specified period of time acceptable to the Municipality
- 21.1.8.1 An Attorney" electronic fund transfer payment may be accepted in lieu of cash payment.
 - 21.1.8.1 There shall be no refunds on the cancellation of a sale.
 - 21.1.8.2 The Certificate shall be valid for a period of 60 days from date of issue.
 - 21.1.8.3 No certificate, in terms of Section 118 of the Systems Act shall be issued where the property owner has not complied with any relevant legislation, policy or agreement relating to the property in question.
 - 21.1.8.4 The Municipality reserves the right to follow any of the legal mechanisms available to it in order to recover the balance of the debt, including, lodging an urgent application to interdict the sale of the property until the debt is paid in full.
 - 21.1.8.5 Notwithstanding that the debt remains a charge on the property, the seller shall furnish to the Municipality new contact details, in writing, comprising a postal and physical address and such further information as may be determined by the CFO from time to time, prior to the Municipality issuing the rates clearance certificate. The seller shall continue to keep the Municipality informed of any change in contact details until such time as the Municipality has confirmed in writing that all amounts that became due whilst the property was in the ownership of the seller (whether or not raised at the time of the rates clearance certificate) have been paid up. Non-compliance with this clause will be regarded as an offence.

22. **PROPERTY RATES**

22.1. All properties within the boundary of the KwaDukuza Municipality are to be valued in terms of the legislation applicable to the valuation of properties for the purposes of levying property rates.

22.2. Rebates on rates may be granted by Municipality in terms of the Municipality"s rating policy.

22.3. Owners must pay the property rates in eleven equal monthly instalments or over a period as determined by Council or by agreement pay rates on an annual basis. Regular monthly installments payments must be maintained.

23. **PAYMENT OF CURRENT RATES**

23.1. In terms of Section 26 of the Municipal Property Rates Act:

- i) A municipality may recover a rate –
 - (a) on a monthly basis or less often as may be prescribed in terms of the Municipal Finance Management Act; or
 - (b) annually, as may be agreed to with the owner of the property.
 - (c) If a rate is payable in a single amount annually it must be paid on or before a date determined by the municipality.
 - (d) If a rate is payable in instalments it must be paid on or before a date in each period determined by the municipality.

23.2 In the event of the ratepayer failing to pay any three monthly instalments during the financial year in which the rates are raised then the ratepayer shall be liable to pay the full outstanding rates.

24. **UNALLOCATED CONSUMPTION**

- a) When electricity consumption is recorded on a property during a period for which there is no registered customer against whom a bill can be raised the relevant charges shall be raised against the registered owner.
- b) When a customer terminates a consumption account and no new customer registers, a property is deemed to be vacant. The account shall be forwarded to the owner until he advises the Municipality to the contrary: --
 - i) **for business premises** - instructions to disconnect the electricity supplies to the property must be issued immediately and actioned;
 - ii) **for residential premises** - a courtesy letter is forwarded to the new occupier or owner advising of the need to register as a customer and indicating the application procedures that need to be followed. Failure to respond to that letter within a 7-day period will result in the issue of supply disconnection instructions.

25. **ILLEGAL ELECTRICITY CONNECTION**

In the event of it being found that any electricity connection had been made illegally by any person than then the following shall take place:

- a) the electricity shall be disconnected with immediate effect

- b) The occupier/owner/developer jointly and severally shall pay a penalty as per the tariff of charges.
- c) The occupier/owner/developer shall be jointly and severally liable for consumption charges.
- d) The occupier/owner/developer shall be jointly and severally pay interest on the consumption Charges at the rate as determined by Council in the tariff of charges from time to time, from the date of disconnection to date of payment.
- e) The applicant shall pay the outstanding municipal account in full, including current installment, interest and penalty fees, payment of unauthorized consumption, disconnection and reconnection fees, and increased in a deposits as determined by Council in the tariff of charges, shall become due and payable before any reconnection can be sanctioned.
- f) Where a consumer and/ or any person has contravened sub-section (1) and such contravention has resulted in the meter recording less than the true consumption, the Municipality shall have the right to recover the full cost of his estimated consumption, retrospective to the determined date of tempering /interruption to the electricity.
- g) Application for new services shall only be accepted from the owner of the property.
- h) Application for new services shall only be accepted from the owner of the property.
- i) Reconnection of electricity services shall be undertaken by Electrical Department upon receipt of the clearance certificate from Finance Department.
- j) No acknowledgement of debt shall be entertained.
- k) Council reserves the right to lay criminal charges and/or to take any other legal action against the customer or the consumer.
- l) The owner of the property remains liable and responsible in all instances of unauthorized reconnections and disconnections, illegal connection, tampering, damage or theft of municipal infrastructure, and services installed in the property. Further, the onus is upon the owner to ensure that tenants on the premises or the property refrain from such acts. Nothing precludes the Municipality from recovering charges from a previous owner where tampering is proven by the Municipality, or in a court of law, to have predated a current owner's title to the property, or where the application of the laws allows from both the previous and current owner, jointly or severally, the one paying the other to be absolved (given that the debt attaches by law to the property).

26. **ASSISTANCE TO THE POOR**

- 26.1 The Municipality may extend indigent support to any customer on application to the Municipality in the prescribed manner as set out in the Municipality's Indigent Policy
- 26.2 Indigent support shall be withdrawn by the Municipality in the event of the recipient misusing the system or providing incorrect information. In this regard the Municipality shall:
 - i. Recover from the recipient the amount of relief furnished by debiting his account.
 - ii Apply the normal credit control in accordance with the Credit Control and Debt Control policy.
 - iii Institute a criminal charge of fraud against the recipient.

27. **DEBT RELIEF PROGRAMME**

27.1 Council shall promote assistance to the poorer by embarking on a debt relief program, the indigent customer who cannot conclude the Acknowledgement of debt as per Council Credit Control and debt collection policy, shall adhere and undergone to the following procedures:

- a) The indigent Customer shall be required to complete the income and expenditure form, in order to determine the minimum amount payable upfront when concluding the Acknowledgement of debt. All supporting documents shall be produced by an applicant, in order for Finance to conduct thorough system verification.
- b) The acknowledgement of debt shall be approved only on condition that the system verification shall prove to be correct.
- c) Upon approval of Acknowledgement of debt, the outstanding debt owed by indigent customer, shall not attract any interest and penalties, only on condition that the customer pays or maintains the current account.

27.2 In the event that the registered owner is deceased and the property is being occupied by the minor or children of the deceased whom are all unemployed or their gross income household does not exceed R4000.00 per month, as set out in Council indigent policy, the following criteria shall apply in order to apply for the debt relief on refuse charges:

- (a) The submission to the Chief Financial Officer or in his absence the Director Revenue of a comprehensive report written by a Ward Councilor and approved by the Speaker and the Mayor of the municipality.
- (b) The submission to the to the Chief Financial Officer or in his absence the Director Revenue of a written report by a municipal social worker containing a finding that the Customer qualifies for debt relief, based on a site visit and assessment of the family's circumstances;
- (c) The Chief Financial Officer or in his absence the Director Revenue shall grant a written approval for debt relief in regards to refuse charge.

27.3 Upon approval of the Customer's eligibility for debt relief, the Manager Income shall write off the outstanding debt that emanates from refuse and interest that has accumulated on services, thereafter the customer shall automatically receive a subsidy on refuse charges.

27.4 The debt relief shall lapse:

- (a) At the end of the municipal financial year in which it was granted; or
- (b) Where the Customer ceases to meet all the relevant qualifying criteria; or
- (c) Where the customer does not apply for the renewal of debt relief in terms of section 27.2 above.

27.5. The customer who has been granted a debt relief must apply on an annual basis, for such debt relief to be renewed. The customer must make application for the renewal of debt relief in terms of section 27.2 above no later than 30 April preceding the new municipal financial year for which the debt relief is sought.

27.6 Eligibility for renewal of the debt relief shall be based on the same criteria as contemplated in section 27.2 above.

28. AGREEMENT WITH EMPLOYERS

28.1 Section 103 of the Act reads as follows: --

“A Municipality may:

28.1.1 with the consent of a person liable to the municipality for the payment of rates or other taxes or fees for municipal services, enter into an agreement with that person's employer to deduct from the salary or wages of the person-

28.1.1.1 any outstanding amounts due by that person to the Municipality;
or

28.1.1.2 such regular monthly amounts as may be agreed.”

28.2 the onus to introduce such arrangements remains with each employer / employee.

29 STAFF IN ARREARS

29.1 Item 10 of Schedule 2 to the Act states that: - “A staff member of the Municipality may not be in arrears to the municipality for rates and service charges for a period longer than 3 months and a municipality may deduct any outstanding amounts from a staff member's salary after this period.”

29.2. The Municipality shall liaise with the relevant staff and their departmental representatives and issue the necessary salary deduction instruction where appropriate, In terms of the Provisions of the Basic Conditions of Employment Act and other relevant legislation.

29.3 No special treatment shall be afforded to staff member whose accounts are arrears.

29.4 Once the arrears or debt is settled in full, the account will automatically revert to staff group account.

30. COUNCILORS IN ARREARS

A councilor may not be in arrears to the Municipality for rates and service charges for a period longer than 3 months in terms of Section 12A of the Act.

30.1 The Municipality, upon consultation with the Councilor, shall make appropriate arrangements to have the arrears paid.

30.2 The Municipality shall liaise with the relevant Councilor and the Speaker, in order to issue the necessary salary deduction instruction where appropriate

30.3 No special treatment shall be afforded to the Councilor whose accounts are arrears.

30.4 Once the arrears or debt is settled in full, the account will automatically revert to the group account.

PART B – DEBT COLLECTION PROCEDURES

31. **ARREAR MESSAGE ON ACCOUNTS**

32.1 When a monthly account is in arrears, the next account will clearly highlight an appropriate reminder message.

32. **CONVENTIONAL ELECTRICITY METERS**

32.1 Disconnection orders are issued after final payment date.

32.2 Re-connection instructions are issued as soon as:

- a) payment is received at an on-line facility:
- b) proof of payment at an off-line facility is received; or
- c) satisfactory credit arrangements have been entered into and we are accordingly advised of such payment (refer to 18.6.)

Re-connection action will be effected within 48 hours of payment.

32.3 Follow-up meter readings within one month are taken for all customers who fail to respond to the physical disconnection to ensure that the supply has, in fact, been disconnected and no payment received.

33. **APPLICATION FOR CONNECTION OF PREPAID AND CONVENTIONAL ELECTRICITY METER**

Applications for connection of prepaid and conventional electricity meter shall only be accepted from the Owner of the property. The owner shall ensure

- a) All applications are made and processed at the electrical department of KwaDukuza Municipality.
- b) The applicant is to obtain from the enquiry clerk at the finance department the full balance of any amount due, owing and payable in respect of any municipal account.
- c) The applicant shall pay the outstanding municipal account in full.
- d) Once payment has been made, the enquiries clerk at finance department shall issue a certificate to the customer reflecting that the outstanding municipal rates and services accounts have been paid.
- d) The consumer shall only be able to purchase the prepaid electricity meter from the municipality after the certificate has been handed to the electrical department.
- e) The consumer shall only be able to proceed with the prepaid or conventional electricity meter application with the municipality after the certificate has been handed to the electrical department.
- f) Arrear debt of consumers with prepayment electricity meters shall be dealt with in terms of debt collection facilities available on the prepayment electricity system.

34. TAMPERING AND/OR THEFT OF SERVICES ON PREPAID AND CONVENTIONAL ELECTRICITY METER

- 34.1 Any person found to be illegally connected to municipal services, tampering with prepaid or conventional electricity meters, will be prosecuted and shall be liable for:
- 34.2 The total outstanding debt on the property including the current instalment, interest and tamper fee, shall become due and payable before any application for new connection of electricity service can be sanctioned.
- 34.3 The registered owner of the property shall be obliged to make application for new connection of electricity services and all application for new services shall be accepted from the registered owner of the property.
- 34.4 All applications shall be made and processed at the Electrical department of KwaDukuza Municipality.
- 34.5 The registered owner of the property shall obtain from the Enquiries Clerk at the Finance department, the full balance of any amount due, owing and payable in respect of any municipal account
- 34.6 The registered owner of the property shall pay the outstanding municipal account in full including the current instalment, interest and tamper fee before any application of new services is sanctioned.
- 34.7 Where a consumer and/or any person has contravened sub-section (1) and such contravention has resulted in the meter reading less than the true consumption, the Municipality is entitled to recover the full cost for the estimated consumption to the determined date of tampering interruption to the electricity. Once the new meter has been installed and the consumption be monitored over a period of time.
- 34.8 Once the payment has been made, the enquires clerk at finance department shall issue a clearance certificate to the customer reflecting that the outstanding municipal services and rates have been paid in full (no arrangement with be entertained). Reconnection of electricity services shall be undertaken by Electrical Department upon receipt for the clearance certificate from Finance Department.
- 34.10 Further instances of tampering will result in the disconnection of the electricity supply and the removal of the relevant metering and connection equipment, Customers in such instance will then need to pay for the full cost of the new connection of a conventional electricity meter and all the outstanding charges before installation of the conventional meter.
- 34.11 Electricity metering and connection equipment remain on the property of the Municipality at all times and anyone involved in instances of tampering, damaging or theft thereof is committing a criminal offence and shall be liable for prosecution and/or civil claims/penalties by the Municipality and Council reserves the right to lay criminal charges and/or to take any other legal action against the customer or consumer
- 34.12 No arrangement of debt shall be entertained.
- 34.13 The owner of the property remains liable and responsible in all instances of unauthorized reconnections and disconnections, Illegal connection, tampering, damage or theft of municipal infrastructure, and services installed in the property. Further, the onus is upon the owner to ensure that tenants on the premises or the property refrain from such acts. Nothing precludes the Municipality from recovering charges from a previous owner where tampering is proven by the Municipality, or in a court of law, to have predated a current owner's title to the property, or where the application of the laws allows from both the previous and current owner, jointly or severally, the one paying the other to be absolved (given that the debt attaches by law to the property).

35. PROPERTY RATES AND CONSOLIDATED BILLING

- 35.1 Property rates shall form part pf the Consolidated Bill
- 35.2 Arrear rates or any other consolidated debt may result in disconnection of services.
- 35.3 The Municipality may, in terms of Section 28 of the Municipal Property Rates Act, recover arrear rates from tenants / managing agents in occupation of the relevant property but only to the extent

of the rent payable or amount due by the tenant but not yet paid to the owner of the property. This does not preclude further legal action against the owner.

35.4 The Municipality may make application to court for judgment, costs and the summary sale of the property in appropriate circumstances. Legal costs and collection commission if applicable shall be debited to the relevant debtors accounts. In the event of the Municipality through its internal collection procedure recovering the debt from the customer, the customer shall be liable for any disbursements and any other charges as reflected in the tariff of charges and collection commission if applicable.

35.5 Once judgment is obtained the properties will be advertised and sold through public auction, unless appropriate settlement has been made to the satisfaction of the Municipality, however proceeds of Sale in Execution shall be appropriate to any of the debtor's accounts in arrears.

35.6 The municipality shall follow the legal process to recover any portion of the debt outstanding for more than sixty (60) days.

36. **LEGAL ACTION**

36.1 Where an account rendered to a customer remains outstanding for more than sixty (60) days the Chief Financial Officer or in his absence the Director Revenue or the Director Legal or the Municipal Manager in consultation with the Chief Financial Officer and Director Revenue shall

- (a) Hand the customer's account over to a debt collector or an attorney for collection.
- (b) Institute legal proceedings through its authorised agents or attorney against a customer for the arrears; or

36.1.2. Legal steps shall be taken to collect arrears such as in the following cases;

- Where cut-off action yielded no satisfactory result;
- Where no cut off action is possible due to the nature of the services for which the account has been rendered
- Where the arrears are older than sixty 60 days

36.1.3 A pre investigation into the account and debtor details is carried out before the preparation of a summons. The data of an appointed Credit Bureau is utilized. Telephonic or other forms of contact may be made with the debtor, at the municipality's discretion, prior to the issue of summons and / or other legal proceedings;

36.1.4. A customer will be liable for any legal fees, postal charges, administration fees, costs incurred in taking action for the recovery of arrears and any penalties, including the payment of a higher deposit, as may be determined by the Municipality from time to time.

36.1.5 The following table shall be utilized to show the thresholds in respect of the debt value and the recovery action therein:

DEBT VALUE RAND	RECOVERY ACTION
Up to R500	Letter of Demand and/or Summons at the discretion of the C.F.O.
from R501 to R1000	Letter of Demand - Proceed to the issue of summons should the debtor appear to be of sufficient financial stature. Any further legal action is at the discretion of the Chief Financial Officer or the Director Revenue in his absence or the Director Legal or the Municipal Manager in consultation with the Chief Financial Officer and Director Revenue.
From R1000 onwards	Letter of Demand – Proceed to the issue of summons. Assess the likely financial stature of the debtor, incur tracing costs where appropriate and proceed along the legal route reviewing at each stage whether it is viable to continue incurring costs.

36.1.6 All Offers of Compromise, out of court settlement offers, and/or settlement offers for full and final payment received, are to be approved by the Council

36.1.7 The Municipality may enforce any other rights or exercise any power conferred on it by any other legislation.

36.1.8 The Municipality may through its own internal policy proceed to recover all outstanding debt and charge disbursements and collection charges.

36.1.9 If the Chief Financial Officer or in his absence the, Director Revenue **or the Director Legal or the Municipal Manager in consultation with the Chief Financial Officer and Director Revenue** is of the opinion that the institution or continuation of proceedings for the recovery of any amount shall be fruitless or not cost-effective, the Chief Financial Officer may recommend to the Council that such action be not commenced, or be discontinued or terminated.

36.1.10 The council shall then approve the write-off of such arrears, if it is satisfied with the reasons provided.

36.1.11 The Chief Financial Officer shall be authorized to approve the writes off, of all irrecoverable debts up to the value of R500.00, only on condition that satisfactory reason has been provided.

36.2 AUTHORITY TO RECOVER ADDITIONAL COSTS AND FEES

The municipality or its authorised agent has the authority to, in consultation with the Municipality's authorized officials, notwithstanding the provisions of any other sections contained in the Credit Control and Debt Collection bylaws, to recover any additional costs incurred in respect of implementing the Credit Control and Debt Collection bylaws against the account of the customer, including but not limited to:

- 36.2.1 All legal costs based on the prescribed fees as set out in the Schedule of the Magistrate Court Act (32 of 1944) and the Rules of the Supreme Court are the maximum fees that COUNCIL will pay an attorney/authorized agent for his/her services. The Municipality's authorised agent will not demand rates exceeding the prescribed rates.
- 36.2.2 In the event of legal services being rendered which falls outside the scope of tariff, the Municipality's authorised agent dealing with the matter shall negotiate a reasonable fee with the Municipality.
- 36.2.3 All collections due and payable by the debtor shall be paid directly into the Municipal Account as directed by the Municipal authorized agent/ attorney and no Municipal agent/ attorney is authorized to collect any monies on behalf of the Municipality.

37. DEBT ARRANGEMENT

Customers have been categorized into the following income categories: -

- Indigent (Gross household income of less than the monthly amount determined by Council)
- Not indigent (Gross household income of more than the monthly amount determined by Council for indigent)
- Non-domestic (excludes Government Departments)
- Government Departments.

37.1 The principle of limited vending to encourage customers with arrears to buy a predetermined amount of electricity per month, will apply.

37.2 The principle that the monthly account must be paid, will apply.

37.3 Debt Arrangement by Indigent Customers who utilizes prepaid electricity meter

- (a) Indigent consumers will be required to pay 40% of the arrears, together with current monthly instalment, irrespective of the final payment date of the current account, plus the administration fee in respect of blocking and unblocking.
Thereafter, payment of the balance plus current instalment shall be paid over a maximum period of 36 months.
- (b) The total block can only be removed after the necessary payment arrangements have been made with Council.

- (c) The Chief Financial Officer or in his absence the Director Revenue **or the Director Legal or the Municipal Manager in consultation with the Chief Financial Officer and Director Revenue** shall be authorised to vary the arrangement as stipulated in clause 18.4 above, at his discretion
- (d) Every time the consumer makes a purchase, 40 percent of the amount tendered for the purchase of electricity shall be allocated towards arrear debt. This type of block is another method to collect arrear debt and not the current account. A percentage of each purchase of electricity is allocated towards the debtors arrear balance and debtors are also blocked from buying electricity for monthly charges.
- (e) Indigent customers will be allowed to purchase average monthly electricity consumption of such consumer with the maximum amount of electricity as determined from time to time.

37.4 Arrangements by indigent customers who utilizes conventional electricity meter

- a) Arrangement for the payment of debt shall be payment of 40% of the arrears, together with current account, irrespective of the final payment date of the current account, plus the disconnection and re-connection fees. Thereafter, payment of the balance plus current instalment shall be paid over a maximum period of 36 months.
- b) The Chief Financial Officer or in his absence the Director Revenue **or the Director Legal or the Municipal Manager in consultation with the Chief Financial Officer and Director Revenue** shall be authorised to vary the arrangement as stipulated in clause 18.4 above, at his discretion.

37.5 Debt Arrangement by Non-Indigent Customers who utilizes prepaid electricity meter

- a) Payment of 40% of the arrears, together with current monthly instalment, irrespective of the final payment date of the current account, plus, the administration fee in respect of blocking and unblocking. Thereafter, payment of the balance plus current instalment shall be paid over a maximum period of 6 months
- b) The Chief Financial Officer or in his absence the Director Revenue **or the Director Legal or the Municipal Manager in consultation with the Chief Financial Officer and Director Revenue** shall be authorised to vary the arrangement as stipulated in clause 18.4 above, at his discretion.

37.6 Debt arrangement – Prepayment system

- 37.6.1 The prepayment electricity system implemented by Council has a debt management facility.

The Debt Management facility provides various blocking types, which can be utilized to collect arrear debt.

□ **Total Block**

37.6.2 The consumer shall be blocked from buying electricity due to arrear debt and can be unblocked when: -

The arrear debt plus current instalment and the administration fee in respect of blocking and unblocking must be paid in full, or Arrangements have been made to pay off the arrear debt and the arrangements have been captured on the system

37.6.3 Minimum monthly instalment with monthly vend limit

The consumer arranges to pay a minimum monthly instalment and to purchase a limited amount of electricity to be purchased is to prevent consumer's from purchasing more than one month's electricity to avoid arrear payments. The minimum monthly instalment includes the consumer's monthly account plus a payment to arrears. If the consumer pays less than the minimum instalment the system will not allow purchase of electricity. If the consumer pays more, the additional amount is taken off the outstanding arrears, but the monthly instalment stays the same until his arrears are paid off.

37.6.4 Minimum weekly instalment with weekly vend limit

Same as 36.6.3 above but weekly instalments are arrangements with weekly limits on the amount of electricity to be purchased.

37.6.5 Every time the consumer makes a purchase, 40 percent of the amount tendered for the purchase of electricity shall be allocated towards arrear debt. This type of block is another method to collect arrear debt and not the current account. A percentage of each purchase of electricity is allocated towards the debtors arrear balance and debtors are also blocked from buying electricity for monthly charges.

38. **BAD AND DOUBTFUL DEBT PROVISION**

Bad and doubtful provisions should be calculated and provided in the accounting records as follows:

38.1 The provision for bad and doubtful debt will be calculated in terms of the relevant generally recognized accounting practices.

PART C – CUSTOMER CARE MANAGEMENT

39. **CUSTOMER CARE MANAGEMENT**

The municipality shall, for the levying of rates and taxes for the **municipal charges**, within its final and administrative capacity, have the following principles pertaining to customer care and management:

39.1 Establish a sound management system between the consumer and the municipality, to create a harmonious relationship between the consumer and the municipality so that consumers are treated with respect and dignity.

39.2 To establish a customer call Centre, with a shared call facility to attend to the following:

- a) Council shall authorize Credit Control to embark on telephonic, short message system and email follow ups between 8h00 and 20h00, in order to remind consumers about the arrear debt and encourage them to make payments.
- b) to send short notices to all consumers in arrears
- c) To receive communication from consumers regarding the quality of service, performance of the municipality and the accuracy of the accounts.
- d) To enable consumers to query and verify their accounts (metered electricity accounts, rates and refuse, sundry and housing) and to promptly resolve the query and rectify the inaccurate account. The queries or complaints in respect of account may be dealt with as follows:
- e) A customer may lodge a query or complaint in respect of any accuracy of an amount due and payable in respect of a specific municipal service as reflected on the account rendered.
- f) A query or complaint must be lodged with the municipality or its authorised agent before the due date for payment of the account

39.2.1 A query or complaint must be accompanied by the payment of the average of the last three months's accounts where history of the account is available or an estimated amount provided by the municipality before payment due date until the matter is resolved.

39.2.2 The municipality or its authorized agent will register the query or complaint and provide the customer with a reference number.

39.2.3 The municipality or its authorized agent: -

- (a) shall investigate or cause the query or complaint to be investigate and
- (b) must inform the customer, in writing, of its finding within fourteen (14) days after the query or complaint was registered.

39.2.4 Failure to make such agreed interim payment or payments will render the customer liable for disconnection.

39.3. To inform the **consumer** that if they are dissatisfied with the manner in which their query was handled to follow a stipulated procedure of appeal to the Chief Financial Officer who shall promptly attend to the complaint. The consumer may appeal against finding of a municipality in respect of queries or complaints as follows:

39.3.1. A customer may appeal in writing against a finding of the municipality or its authorized agent in terms of Section 62 of the Municipal System Act.

- 39.3.2 An appeal and request in terms of subsection (1) must be made in writing and lodged with the municipality within 21 days after the customer became aware of the finding referred to in section 39.2.3 b above and must:
- (a) set out the reason for the appeal; and
 - (b) be accompanied by any security determined for the testing of a measuring device, if applicable.
- 39.4 To ensure that the Manager Income receives daily reports on such queries and monitors the response time and the efficiency in dealing with the query.
- 39.5 To take reasonable steps to inform customers of the costs involved in the service, the changes to tariffs and policies, reasons for payment of the service fees and how their payments are utilized to provide the service.
- 39.6 To provide regular and accurate accounts to the customer with details reflecting the basis for the calculation of the amount due in order to ensure that the customer pays the account with satisfaction that the account is correct.
- 39.7 To provide:
- 39.7.1 An electronic facility for the payment of accounts to the municipality's bank account.
 - 39.7.2 Adequate and accessible pay points within the jurisdiction of the municipality for the payment of accounts and the purchase of pre-paid electricity.
 - 39.7.3 Council will endeavor, within the constraints of affordability, to notify arrear debtors on the state of their arrears and to encourage them to pay. They will be informed on their rights (if any) to conclude arrangements or to apply for indigent subsidies should they comply with the conditions, and other related matters.
 - 39.7.4 Such notification is not a right to debtors with arrears but a courtesy from the Council to improve payment levels and relations. Disconnection / restriction of services and other collection proceedings will continue in the absence of such notices and contact with debtors for whatever reason.

UNAUTHORISED AND ILLEGAL SERVICES

40. UNAUTHORISED SERVICES

- 40.1. No person may gain access to municipal services unless it is in terms of an agreement entered into with the municipality or its authorised agent for the rendering of those services.
- 40.2. The municipality or its authorised agent may, irrespective of any other action it may take against such person in terms of these bylaws, by written notice, order a person who is using unauthorized services to: -
- (a) Apply for such services in terms of Chapter 2 Part 1 of the Bylaws;

- (b) Pay the demand based component and tampering fees as prescribed in the tariff of charges.
- (c) Undertake such work, as may be necessary to ensure that the unauthorized customer installation complies with provisions of these or any other relevant bylaws.

40.3. Any agreement, entered into before the date of coming into effect of these bylaws, and which is in full force and effect, shall be deemed to have been entered into in terms of these bylaws and shall remain in force and effect until cancelled.

41. **INTERFERENCE WITH INFRASTRUCTURE FOR THE PROVISION OF MUNICIPAL SERVICES**

41.1. No person other than the municipality or its authorised agent shall manage, operate or maintain infrastructure through which municipal services are provided.

41.2. No person other than the municipality or its authorised agent shall effect a connection to infrastructure through which municipal services provided.

42. **OBSTRUCTION OF ACCESS TO INFRASTRUCTURE FOR THE PROVISION OF MUNICIPAL SERVICES**

42.1. No person shall prevent or restrict physical access to an infrastructure through which municipal services are provided.

42.2. If a person contravenes subsection (1), the municipality or its authorised agent may: -

- (a) By written notice require such person to restore access at his/her own expense within a specified period, or
- (b) If it is of the opinion that the situation is a matter of urgency, without prior notice restore access and recover the cost from such person.

43. **ILLEGAL RE-CONNECTION**

43.1. A person who illegally reconnects to a service, interferes with the infrastructure through which municipal services are provided, after such customer's access to municipal services have been disconnected, such customers supply of electricity shall be immediately removed.

43.2. A person who re-connects to municipal services in the circumstances referred to in subsection 42.1 shall be liable for the cost associated with any consumption, notwithstanding any other actions which may be taken against such a person.

43.3. In the event that there is an electricity connection where the demand based component was not paid or in the absence of formal payment arrangement, the tampering fee shall be applicable.

43.4 The owner of the property remains liable and responsible in all instances of unauthorized reconnections and disconnections, Illegal connection, tampering, damage or theft of municipal infrastructure, and services installed in the property. Further, the onus is upon the owner to ensure that tenants on the premises or the property refrain from such acts. Nothing precludes the Municipality from recovering charges from a previous owner where tampering is proven by the Municipality, or in a court of law, to have predated a current owner's title to the property, or where the application of the laws allows from both the previous and current owner, jointly or severally, the one paying the other to be absolved (given that the debt attaches by law to the property).

44. **IMMEDIATE DISCONNECTION**

44.1. Immediate disconnection will be effected for failure to give information or provide of false information.

44.2. The provision of municipal services may immediately be disconnected if any person fails to provide information or provide false information reasonably requested by the municipality or its authorised agent

45 **READING OF CREDIT METERS**

45.1 Unless otherwise prescribed, credit meters shall normally be read at intervals of one month and the fixed or minimum charges due in terms of the tariff shall be assessed accordingly. The Municipality shall not be obliged to effect any adjustments to such charges.

45.2 If for any reasons the credit meter cannot be read, the Municipality may render an estimated account. The electrical energy consumed shall be adjusted in a subsequent account in accordance with the electrical actually consumed.

45.3 When a consumer vacates a property and a final reading of the meter is not possible, estimation may be made and the final account rendered accordingly.

45.4 If special reading of the meter is desired by a consumer, this may be obtained upon payment of the prescribed fee.

45.5 If any calculating reading or metering error is discovered in respect of any account rendered to a consumer, the error shall be corrected in subsequent accounts. Any such correction shall only apply in respect of accounts for a period of 36 months preceding the date on which the error in the accounts was discovered, and shall be based on the actual tariffs applicable during the period.

46 **DECEASED ESTATES**

46.1 The Executor of a deceased estate, in his capacity as such, shall be liable for payments of all debts on the property.

46.2 The occupier or occupiers of a property which vests in a deceased estate where neither an executor nor representative has been appointed, will be required to sign the rates and services agreement for the property. Where there is more than one occupier on the property, every occupier will be jointly and severally liable for an account or consolidated account as per the services agreement.

46.3 Deemed ownership does not confer any rights to the occupants other than the liability to pay the accounts.

46.4 Failure to inform the Municipality that the property forms part of a deceased estate may result in the disconnection of services, until an executor has been appointed.

46.5. Where a deceased estate is insolvent (liabilities exceed all assets) and a property is sold by the executor pursuant to section 34 of the Administration of Deceased Estates Act, 1965 (Act 66 of 1965), the Municipality enjoys preference as a creditor for the application of section 118 (1) of the MSA. Accordingly, no revenue clearance certificate will be issued until all amounts assessed for the prescribed 2-year period, have been paid. The balance of the debt will be dealt with as guided by the law on the administration of deceased estates.

47. **INCENTIVE SCHEME**

47.1 The Municipality may institute incentive schemes to encourage prompt payment.

48. **REFUNDS**

48.1 Refunds shall only be issued, provided that all the customers' accounts are paid in full, credits on accounts shall be refunded, on application, as follows:

- a) To the account holder, for rates and services account;
- b) To the owner, where the owner pays the tenants account;
- c) To the conveyancer to pay the buyer or seller, on transfer of a property, this includes any credits that may arise from an objection appeal outcome or an over payment of the account.

49. **SUBMISSION OF BUILDING PLANS**

Submission of building plans shall only be accepted if the following conditions are adhered to and the owner shall ensure:

- a) All applications for submission of building plans are made and processed at the Town Planning department of KwaDukuza Municipality.
- b) The applicant shall obtain from the Enquiries Clerk at the Finance department the full balance of any amount due, owing and payable in respect of any municipal account
- c) The applicant shall pay the outstanding municipal account in full.
- d) Once payment have been made in full, the Enquiries Clerk at Finance Department shall issue a certificate to the customer reflecting that the outstanding municipal accounts have been paid in full.
- e) The certificate issued by the Finance department, must be accompanied with the building plan, when submitting to Town Planning department.
- f) Failure to produce the certificate will result in the submission of building plans being rejected.

50. **IRRECOVERABLE DEBT**

50.1 Debt will only be considered as irrecoverable if it complies with the following criteria and the write off thereof has been approved by Council:

- a. All reasonable notifications and cost effective legal avenues have been exhausted to recover a specific outstanding amount; or

- c. The cost to recover the debt does not warrant further action; or
- d. The amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate; or
- e. When the liquidator advised in writing that there is a danger of a contribution; or
- f. The liquidator advised in writing that there is no dividend that will accrue to creditors; or
- g. A deceased estate has no liquid assets to cover the outstanding amount following the final distribution of the estate; or
- h. Where the estate has not been reported to the Master and there are no moveable assets of value to attach; or
- i. It has been proven that the debt has prescribed; or
- j. The debtor is untraceable or cannot be identified so as to proceed with further action; or
- k. The debtor has emigrated leaving no assets of value to cost effectively recover Council's claim; or
- l. A court has ruled that the claim is not recoverable; or
- m. Arrears owed by previous Administrations, amongst themselves, that now form part of KwaDukuza municipality; or
- n. Old dormant account balances of debtors, inherited from the previous municipalities which now form part of KwaDukuza municipality, and where reasonable steps have been taken to recover these debts; or
- o. All debtors who are registered as indigent as more fully set out in Council's Indigent Policy will have all arrears written off; or
- p. All arrears may be written off to bad debts where Council expropriates any property; or

51 ELECTRONIC SUBMISSIONS

- 51.1 Where this Policy requires that a prescribed document must be signed or initialled, the signing or initialling may be effected in any manner recognised by law, including the use of an electronic signature, as defined in the Electronic Communications and Transactions Act (ECTA), if such document or the revenue management system specifically allows the use of an electronic signature.
- 51.2 The provisions of the ECTA apply to any electronic communication made in terms of or arising out of, this Policy.
- 51.3 Subject to the ECTA and any other law, a document incorporated into the revenue management system of the Municipality by electronic means shall be deemed to be the original and valid record.

- 51.4 The final letter of demand or any notice issued by way of e-mail or cell phone text message shall be considered as a proper demand or notice sent in terms of this policy.

52 **COMPLIANCE AND ENFORCEMENT**

a) Violation of or non-compliance with this policy will give a just cause of disciplinary steps to being taken.

a) It will be the responsibility of Accounting Officer to enforce compliance with this policy.

53 **EFFECTIVE DATE**

The policy shall come to effect upon approval by Council.

54 **POLICY ADOPTION**

This policy has been considered and approved by the **COUNCIL OF KWADUKUZA LOCAL MUNICIPALITY** as follows:

Resolution No: _____

Approval Date _____