

TARIFF BY-LAW
FINANCIAL YEAR



MIDVAAL LOCAL MUNICIPALITY TARIFF BY-LAW

To provide for the adoption of a by-law to give effect to the implementation and enforcement of its tariff policy and the general power to levy and recover fees, charges and tariffs, and for matters incidental thereto.

Preamble

WHEREAS, subject to the provisions of subsections (2), (3) and (4) thereof, section 229(1) of the Constitution of the Republic of South Africa empowers a municipality to impose -

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

WHEREAS in terms of section 74(1) of the Local Government: Municipal Systems Act, 32 of 2000 ("**Municipal Systems Act**"), a municipal council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of the Municipal Systems Act, the Local Government: Municipal Finance Management Act, 56 of 2003 and any other applicable legislation.

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

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

WHEREAS in terms of section 75A of the Municipal Systems Act, a municipality may-

- (a) levy and recover fees, charges or tariffs in respect of any function or services of the municipality, and

- (b) recover collection charges and interest on any outstanding amount.

BE IT THEREFORE ENACTED by the Municipal Council of the Midvaal Local Municipality, acting in terms of section 156 read with 229 of the Constitution of the Republic of South Africa, and section 11 of the Municipal Systems Act as follows:

1. Definitions

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

"Constitution" means the Constitution of the Republic of South Africa, 1996 as amended from time to time;

"Council" means the Municipal Council of the Midvaal Local Municipality, a municipal council envisaged in terms of section 157 (1) of the Constitution;

"Credit Control and Debt Collection By-law and policy" means the Credit Control and Debt Collection Policy as required in terms of section 96(b) and 97 and 98 of Municipal Systems Act;

"Municipality" means the Midvaal Local Municipality a local municipality contemplated in terms of section 155 of the Constitution, and established in terms of the Municipal Structures Act read with section 2 of the Municipal Systems Act;

"Municipal Structures Act" means the Local Government: Municipal Structures Act, 117 of 1998 as amended from time to time;

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 32 of 2000 as amended from time to time;

"Tariff" means fees, charges or any other tariffs levied by the Municipality in respect of any function or service provided by the Municipality which includes a surcharge on such tariff, excluding rates levied by the Municipality in terms of the Local Government: Municipal Property Rates Act, 6 of 2004 as amended from time to time;

"Tariff policy" means the tariff policy adopted by Council in terms of this By-law.

2. Adoption and implementation of Tariff Policy

- (1) The Council shall adopt and implement a tariff policy on the levying of fees for a municipal service provided by the Municipality or by way of service delivery agreements, which complies with the provisions of the Municipal Systems Act, the Local Government: Municipal

Finance Management Act, 56 of 2003 and any other applicable legislation.

- (2) The tariff policy adopted in terms of subsection (1) must be reviewed on an annual basis by Municipality;
- (3) The Municipality shall not be entitled to impose tariffs other than in terms of a valid tariff policy.

3. Guiding principles in the determination of tariffs

- (1) The Tariff Policy must reflect and be informed by the following principles as prescribed by section 74 of the Municipal Systems Act —
 - (a) users of municipal services should be treated equitably in the application of tariffs;
 - (b) the amount individual users pay for services should generally be in proportion to their use of that service;
 - (c) poor households must have access to at least basic services through—
 - i. tariffs that cover only operating and maintenance costs;
 - ii. special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of service; or
 - iii. any other direct or indirect method of subsidisation of tariffs for poor households;
 - (d) tariffs must reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration and replacement costs, and interest charges;
 - (e) tariffs must be set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned;
 - (f) provision may be made in appropriate circumstances for a surcharge on the tariff for a service;
 - (g) provision may be made for the promotion of local economic development through special tariffs for categories of commercial and industrial users;

- (h) the economical, efficient and effective use of resources, the recycling of waste, and other appropriate environmental objectives must be encouraged;
- (i) the extent of subsidisation of tariffs for poor households and other categories of users should be fully disclosed.

4. The Tariff Policy

- (1) The Municipality's tariff policy shall, *inter alia* -
 - (a) apply to all tariffs imposed by the Municipality;
 - (b) reflect the principles prescribed by section 74 of the Municipal Systems Act;
 - (c) specify the manner in which the principles prescribed by section 74 of the Municipal Systems Act are to be implemented;
 - (d) specify the basis for differentiation, if any, between different categories of users, debtors, service providers, services, service standards, geographical areas long as such differentiation does not amount to unfair discrimination; and
 - (e) include any further enforcement mechanisms the Municipality may wish to impose in addition to those contained in the Credit Control and Debt Collection By-law and Policy.

5. Application of By-law

- (1) This by-law shall only apply to tariffs applicable to the Council and municipal entities in respect of which the municipality is the parent municipality for –
 - (a) Fees, surcharges on fees, charges and tariffs in respect of municipal services, such as –
 - i. provision of water;
 - ii. refuse removal;
 - iii. sewerage;
 - iv. removal and purification of sewerage;
 - v. electricity consumption;
 - vi. municipal services provided through prepaid meters;
 - vii. all other related costs for services rendered in terms of the service;
 - viii. interest which has accrued or will accrue in respect of money due and payable to the Council;
 - ix. collection charges in those cases where the Council is responsible for

- (aa) the rendering of municipal accounts in respect of any one or more of the municipal services;
- (bb) the recovery of amounts due and payable in respect thereof, irrespective whether the municipal services, or any of them, are provided by the Council itself or by a service utility with which it has concluded a service provider agreement to provide a service on the Municipality's behalf.

4. Enforcement of Tariff Policy

The Council's tariff policy shall be enforced through the Credit Control and Debt Collection By-Law and policy, and any further enforcement mechanism stipulated in the Council's tariff policy.

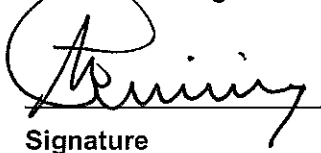
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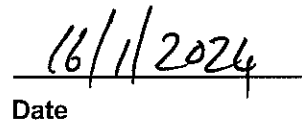
This By-law is referred to as the Tariff By-law, and takes effect on the date on which it is published in the *Provincial Gazette*

Approved and Signed by:

Director: Income

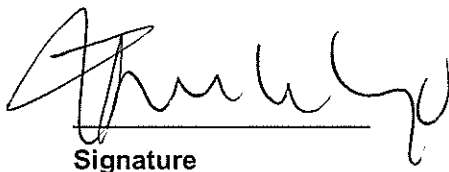
Mr. Arie Meiring

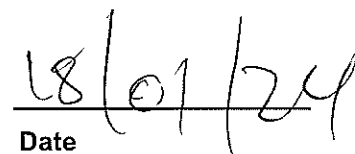

Signature


Date

Chief Financial Officer

Mr. Zakhele Ntando Mhlongo


Signature


Date