

MARULENG MUNICIPALITY CREDIT CONTROL & DEBT COLLECTION POLICY



2025-2026

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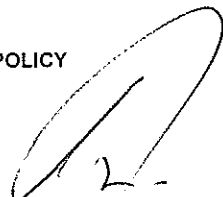
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<u>PART I OBJECTIVE: CONSTITUTIONAL OBLIGATIONS & MFMA MANDATE</u>	

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

This policy will focus on all outstanding debt as raised on a debtors accounts and ensure that all monies due and payable are collected and further provides for conditions pertaining to the supply of services effectively and efficiently to deal with defaulters in accordance with terms and conditions in a way of promoting a culture of good payment habits amongst debtors and install a sense of responsibility towards the payment of accounts and reducing municipal debt.

PART 1.1 CUSTOMER CARE AND MANAGEMENT

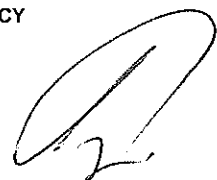
The municipality shall conduct itself towards its customer in a manner that is stipulated in section 95 of the Municipal Systems Act, 2000 which requires the municipality to, within its financial and administrative capacity;

- a) Establish a sound customer management system that aims to create positive and reciprocal relationship between persons liable for the payments for municipal services and the municipality;

- b) Establish mechanisms for user of service and ratepayers to give feedback to the municipality regarding the quality of the service and the performance of the municipality;
- c) Take reasonable steps to ensure that users of service are informed of the cost involved in service provision. The reason for the payment of service fees and the manner in which monies raised from the service are utilized;
- d) Where the consumption of service has been measured, take reasonable steps to ensure that consumption by individual users of service is measured through accurate and verifiable metering system;
- e) Ensure that person liable for payments receive regular and accurate accounts that indicate the basis for calculating the amount due;
- f) Provides accessible mechanisms for those persons to query or verify accounts and metered consumptions; and appeal procedures which allow such persons to receive prompt redress for inaccurate accounts;
- g) Provide accessible mechanisms for dealing with complaints from such persons, together with prompt replies and corrective action by the municipality;
- h) Provides accessible mechanisms to monitor the response time and efficiency in complying with paragraph (g) ; and
- i) Provides accessible pay points and other mechanisms for settling accounts or for making pre-payments for services

PART 2 EXPECTED FUTURE PAYMENT LEVELS

In terms of the budgets approved by the council, and in accordance with commonly accepted best practice, this municipality will have to strive to its utmost to ensure that payment levels for the present and future financial years, in respect of all amounts legitimately owing to the municipality – that is, inclusive of the balance of the monthly accounts payable by registered indigents – are maintained at an annual average of at least 95%.



Even with payment levels of 95% it means that the council will annually have to provide on its expenses budget a contribution to bad debts of 5% of the aggregate revenues legitimately owing to this municipality – a contribution which is made at the direct cost of improved service delivery and developmental projects.

The only solution to the ongoing problem of non-payment by residents who can afford their monthly commitments to the municipality is to introduce a twofold approach:

To promulgate credit control and debt collection by-laws which deal stringently with defaulters, but at the same time –

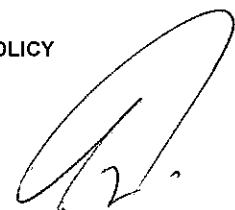
Through the formal political structures of the municipality, and in the administration's general dealings with the public – to make the community aware of its legal obligations towards the municipality, and to emphasize the negative consequences for all if non-payment continues.

The municipality's ward committees are particularly charged with this responsibility.

PART 3 NOTICE OF DEFAULT AND INTENDED TERMINATION OR RESTRICTION OF SERVICES

In terms of sec 102(a) of the Systems Act the municipality deems all separate accounts of a person liable for payments to the municipality, to be consolidated regardless and includes all pre-paid services for which account is rendered.

Within 14 (Forteen) calendar days after each monthly due date for payment of municipal accounts for property rates and/or service charges, the municipal manager shall dispatch to every defaulting accountholder, that is, every accountholder who as at the date of the notice has not paid the monthly account in full or has not made an acceptable arrangement with the municipal manager for partial or late payment, a notice stating that unless full payment is received or an acceptable arrangement made with the municipal manager for partial or late

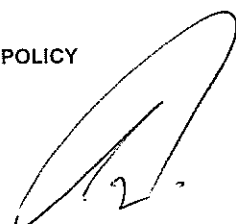
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payment, the municipal water supply such supply to the property to which the account in arrears relates shall be terminated or restricted 14 (fourteen) calendar days after the date of the notice concerned.

PART 4 RECONNECTION OR REINSTATEMENT OF TERMINATED OR RESTRICTED SERVICES

Services to defaulting accountholders terminated or restricted in terms of part 3 above shall be reconnected or reinstated by the municipal manager or delegated person only when all the following conditions have been met:

- the arrear account has been paid in full, including the interest raised on such account; or an acceptable arrangement has been made with the municipal manager for the payment of the arrear account, including the interest raised on such account;
- the charge(s) for the notice sent in terms of part 3 and for the reconnection or reinstatement of the terminated or restricted service(s), as determined by the council from time to time, have been paid in full;
- a service contract has been entered into with the municipality, as contemplated in part 10 below; and
- a cash deposit has been lodged with the municipal manager in compliance with part 11, such deposit to be newly determined on the basis of currently prevailing consumption and usage of services in respect of the property concerned or, if insufficient data is available in regard to such consumption, of the currently prevailing consumption and usage of services in respect of a comparable property.

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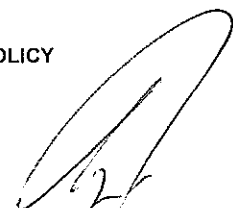
- In the case of consumers using prepaid meters, but who have fallen into arrears with the remainder of their obligations to the municipality, no prepaid purchases shall be accepted until the outstanding arrears have been settled or an acceptable arrangement made for the payment of the arrear account, as contemplated above: such arrangement may entail the limitation of the amount of prepaid services which may be purchased until the arrears or a stated percentage of the arrears has been settled.

PART 5 PERIODS FOR RECONNECTIONS OR REINSTATEMENTS

The municipal manager shall reconnect or reinstate terminated or restricted services within 3 (three) working days after the date on which the conditions set out in part 4 have been met, unless the municipal manager is unable to do so because of circumstances beyond the control of the municipality. In the latter event the municipal manager shall promptly inform the mayor of such circumstances and of any actions required to overcome the circumstances concerned.

PART 6 ILLEGAL RECONNECTIONS

The municipal manager shall, as soon as it comes to the notice of the municipal manager that any terminated or restricted service has been irregularly reconnected or reinstated, report such action to the South African Police Service, disconnect or restrict such service(s), and not reconnect or reinstate such service(s) until the arrear account, including the interest raised on such account, the charges for the notice sent in terms of part 3 and the charges for both the original and subsequent reconnection or reinstatement of the service(s) and the revised deposit have been paid in full, together with such penalty as may be determined by the council from time to time. In addition, all metered consumption since the date of the illegal reconnection, or the estimated



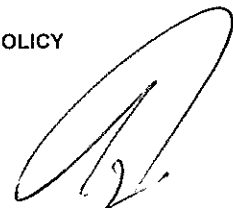
consumption if a reliable meter reading is not possible, shall also be paid in full before any reconnection or reinstatement is considered.

PART 7 RESTRICTION OF SERVICES

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

PART 8 SERVICES NOT RECONNECTED OR REINSTATED AFTER FOUR WEEKS

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

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PART 9 ARRANGEMENTS FOR PAYMENT OF ARREAR ACCOUNTS

No initial municipal services shall be provided to any property unless a written agreement governing the supply and the cost thereof has been entered into with the municipality subject to its administration, logistical and financial capability.

The supply will be automatically supplied to new owner where transfer of property took place and where there were supply at the time of sale. The onus is on the new owner to discontinue services if they are not in need of it.

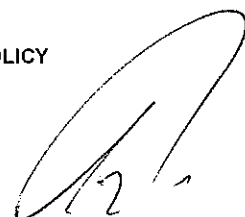
New applications for services agreements shall be entered only into by both the owner and occupier, where applicable. The owner shall bind himself/herself as surety and co-principal debtor in favour of the municipality for the fulfilment of the obligations of the occupier towards the municipality; the application will be subjected to prescribed credit information and outstanding amounts related to the specific debtor (occupier) may be transferred to the owner's account

The owner and the occupier shall be jointly and severally liable for payments of all services charges. It is duly the owner to ensure at all times that the occupiers of the premises are not in arrears with payments

The owner must inform the municipality of the vacation of the property or premise by occupier on or before the date of vacation or as soon thereafter as the owner may become aware of such vacation, by submitting to council a notice of vacation of occupier, if that is omitted by owner the arrears on occupiers account who vacated the premises will be transferred to the owners account and no further occupiers account will be allowed to be opened for such property

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

Each defaulting accountholder shall be allowed a maximum repayment period as follows:

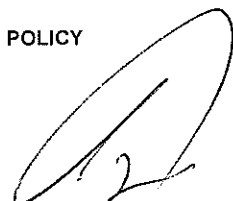
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1. Commercial consumers 30% deposit and a repayment of remaining arrears within a period of six (6) months.
2. Domestic and other consumers 20% deposit and a repayment of remaining arrears within a period of twelve (12) months.
3. The Arrangements on Affordability to be negotiated with Manager Revenue and approved by the CFO.

And it shall be a condition for the conclusion of any arrangement that the accountholder is bound to pay every current municipal account in full and on time during the period over which such arrangement extends.

If an accountholder breaches any material term of an arrangement, the balance of the arrear account, together with the balance of interest raised on such account, shall immediately become due and payable to the municipality, and if the accountholder defaults on such payment, the municipal manager shall terminate or restrict services to the property in question and shall forthwith hand such account over for collection as envisaged in part 8 which will be paid 10% for collection fee of arrears accounts.

An accountholder who has breached an arrangement as set out above shall not be allowed to make any further arrangements for the payment of arrear accounts, but shall be proceeded against, after the dispatch of the initial notice of default as envisaged in part 3 and failure by the accountholder to pay the arrear account, together with interest raised on such arrears as required in terms of such notice, as though such accountholder had breached a material term of an arrangement.

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PART 10 SERVICE CONTRACT

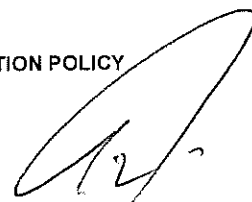
A service contract shall henceforth be entered into with the municipality for each property to which the municipality is expected to provide all or any of the following services:

- water
- refuse collection
- sewerage.

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

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

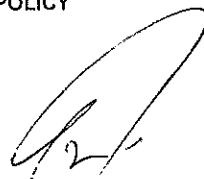
Current consumers and users of the municipality's services who have not entered in a service contract as envisaged above, must do so within 2 years from the date on which the by-laws to implement the present policy are published, and failure to do so shall be considered as a default equivalent to non-payment in terms of part 3 above.

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PART 11 PAYMENT OF DEPOSITS

Whenever a service contract is entered into in terms of part 10, the signatory shall lodge a cash deposit with the municipality, such deposit to be determined as follows:

- in the case of the signatory's being the registered owner or spouse of the registered owner of the property concerned, an amount equal to one quarter of the aggregate monetary value of the relevant service(s) provided to the property over the immediately preceding 12 (twelve) month period, or – where no such information is available – one quarter of the aggregate monetary value of the relevant service(s) provided to a comparable property over the immediately preceding 12 (twelve) month period;
- In the case of the signatory's not being the registered owner or spouse of the registered owner of the property concerned, an amount equal to one third of the aggregate monetary value of the relevant service(s) as determined above.
- In the event of Advance payments the customer shall apply such payments to be reimbursed when the account becomes inactive and provide proof of payment for applications on credit refunds/reimbursements.
- In the event where the account is in credit and the customer request for reimbursement the municipality will check other debit/s account/s for the same customer to offset the payment in case of any arrears debt.



PART 12 ALLOCATION OF PART-PAYMENTS AND APPROPRIATION OF DEPOSITS

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

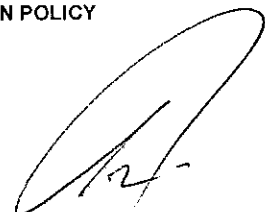
- firstly, to Building Plans and Town Planning Fees levied by the municipality in respect of Pro-Forma Invoices.
- secondly, to any unpaid interest raised on outstanding debtors.
- thirdly, to any unpaid Property Rates.
- fourthly, to any unpaid refuse collection charges
- fifthly, to any unpaid Rentals of facilities; and
- Sixthly, to any unpaid water and sewerage charges

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

In the event of an accountholder's defaulting on the payment of an arrear account, as contemplated in parts 6, 8 and 9, the municipal manager shall forthwith appropriate as much of such deposit as is necessary to defray any costs incurred by the municipality and the arrear amount owing to the municipality in the same sequence that is applicable to the allocation of part payments, as contemplated above.

PART 13 QUERIES BY ACCOUNTHOLDERS

In the event of an accountholder reasonably querying any item or items on the monthly municipal account, no action shall be taken against the accountholder as contemplated in part 3 provided the accountholder has paid by due date an amount equal to the monthly average monetary value of the three most recent unquarried accounts in respect of the service under query, as well as all



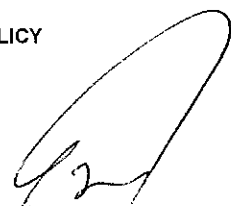
unquarried balances on such account, and provided further such query is made in writing by the accountholder or is recorded in writing by the municipal manager on behalf of the accountholder on or before the due date for the payment of the relevant account. Any query raised by an accountholder in the circumstances contemplated in part 14 below shall not constitute a reasonable query for the purposes of the present paragraph.

PART 14 INABILITY TO READ METERS

If the municipality is unable to read any meter on any property because the meter has been rendered inaccessible/Stolen/Not working through any act or omission of the accountholder or owner of the property concerned, the municipal manager shall estimate the consumption of the service concerned by determining the monthly average of the metered consumption recorded on the three most recent accounts/60 KL in respect of which meter readings were obtained, and thereafter bill the accountholder for the monetary value of such estimated consumption calculated by the system plus a provisional surcharge of 20 average (Estimates)consumption of such value for the first month in which the metered reading could not be obtained, until the meter is again rendered accessible. The accountholder shall be liable for the initial payment of such surcharge(s) as though the surcharge were part of the service charge concerned, but the municipal manager shall reverse such surcharge(s) against the first account for which a meter reading is again obtained.

PART 15 DELEGATION OF RESPONSIBILITIES BY MUNICIPAL MANAGER

The municipal manager, including any person acting in such capacity, shall be responsible to the council for the implementation of this policy and its attendant by-laws but – without in so doing being divested of such responsibility – may delegate in writing all or any of the duties and responsibilities referred to in these

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by-laws to any other official or officials of the municipality, and may from time to time in writing amend or withdraw such delegation(s).

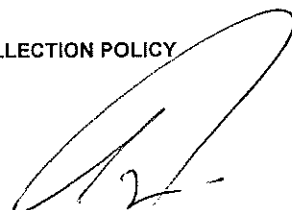
PART 16 ROLE OF MUNICIPAL MANAGER

Section 100 of the Municipal Systems Act 2000 (see part 24 below) clearly assigns the legal responsibility for implementing the credit control and debt collection policies and by-laws to the municipal manager.

In practice, however, the municipal manager will inevitably delegate some or many of the responsibilities specifically assigned to this office in the by-laws, as it will be administratively impossible for the municipal manager to perform the numerous other functions of this office as well as attend to frequently recurring administrative responsibilities. However, such delegation does not absolve the municipal manager from final accountability in this regard, and the municipal manager will therefore have to ensure that a proper internal reporting structure is established and consistently implemented so that the day-to-day actions of and results from the credit control and debt collection programme are properly monitored and supervised.

It is also an integral feature of the present policy that the municipal manager shall report monthly to the mayor and the executive committee, and quarterly to the council on the actions taken in terms of the by-laws, and on the payment levels for the periods concerned. Such reports shall, as soon as practicably possible, provide the required information both in aggregate and by municipal ward.

In addition, such monthly report shall indicate any administrative shortcomings, the measures taken or recommended to address such shortcomings, and any actions by councilors which could reasonably be interpreted as constituting interference in the application of the by-laws.

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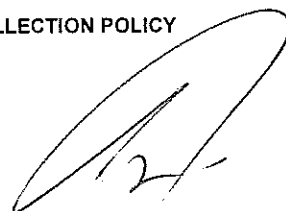
Notwithstanding all the foregoing references to the accountability of the municipal manager in regard to these by-laws, it is incumbent on all the officials of the municipality, certainly all those who are at management level, as well as more junior officials who are directly or indirectly involved with the community and the municipality's general customer relations, to promote and support both this credit control and debt collection policy and the application of the attendant by-laws. The responsibilities of all officials include reporting to the municipal manager any evident breaches of these by-laws, whether by members of the community, other officials or councillors of the municipality.

PART 17 ROLE OF COUNCILLORS

Section 99 of the Systems Act 2000 places the important legal responsibility on the executive committee, of monitoring and supervising the application of the present policy and the attendant by-laws, and of reporting to the council on the extent and success of credit control actions.

The present policy further recommends that the municipality's ward committees be actively involved in implementing the credit control and debt collection programme, and these committees should therefore receive monthly reports on the status of the municipal manager's credit control actions. The ward committees must also actively promote the present policy, and ensure at the same time that the municipality's customer relations are of a standard acceptable to the community.

In order to maintain the credibility of the municipality in the implementation of the present policy and the attendant by-laws, it is essential that councillors should lead by example. Councillors, by adopting this policy, therefore pledge, not only their unqualified support for the policy, but their commitment to ensuring that their own accounts will at no stage fall into arrears.

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PART 18 INTEREST ON ARREARS AND OTHER PENALTY CHARGES

Interest shall be charged on all arrear accounts at 11% per annum as approved by council, except when there will be delays caused by unforeseen circumstances.

Interest shall be calculated on a monthly basis determined by interest bearing balances or ageing of the debt and for the purpose of determining arrears amounts, all unpaid amounts excluding interest raised and value added tax shall not be taken into consideration.

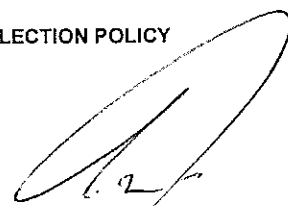
Interest shall be reversed in line with debt incentive scheme/policy as prescribed on a settlements arrangement.

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

- charges for disconnection or restriction of services (part 3)
- charges for reconnection or reinstatement of services (part 4)
- charges for notices of default (part 3)
- penalty charges for illegal reconnections (part 6)
- Penalty charges for dishonored cheques (part 15).

PART 19 INDIGENCY MANAGEMENT

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

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PART 20 UNCOLLECTABLE ARREARS

The effective implementation of the present policy also implies a realistic review of the municipality's debtor's book at the conclusion of each financial year. The municipal manager shall as soon as possible after 30 June each year present to the council a report indicating the amount of the arrears which it is believed is uncollectable, together with the reasons for this conclusion.

The Management shall approve /reverse such arrears for amounts not exceeding 500 000 on corrections of operational accounts reconciliation.

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

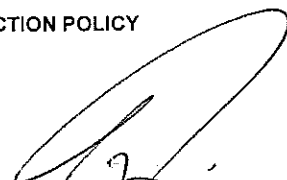
PART 21 ARREARS WHICH HAVE ARISEN PRIOR TO THE ADOPTION OF THE PRESENT POLICY

The council shall separately consider arrears which arose prior to the adoption of the present policy, and shall advise accountholders of their respective obligations in regard to such arrears. In determining such obligations, the council shall have regard to the quantum of such arrears, to the period over which the default occurred, and to whether the accountholder concerned has been approved as an indigent in terms of the municipality's policy on indigency management. The council shall further consider an incentive scheme which will appropriately encourage accountholders to settle all or a stated percentage of these arrears.

PART 22 BY-LAWS TO BE ADOPTED

By-laws shall be adopted to give effect to the council's credit control and debt collection policy.

Although these by-laws envisage even the termination of basic services for defaulting accountholders this will not in itself – no matter how harsh it may seem



to those councillors and officials who are disposed to greater leniency – prevent the accumulation of arrears. The monthly billing for property rates, sewerage charges and refuse removal fees will continue in respect of defaulting accountholders, even though their consumption of water may have been terminated or restricted. The termination or restriction of services must therefore be seen merely as a vital first step in the credit control programme, and the commitment by the municipality to follow up such actions with the full force of the law at the municipality's disposal is an essential further step if the accumulation of debts is to be meaningfully curtailed.

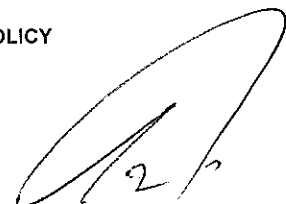
The by-laws shall comply with the requirements of the Municipal Systems Act 2000, the Water Services Act 1997 and the Municipal Finance Management Act 2003.

It is not proposed that accountholders who have currently not lodged deposits should be required to do so forthwith, but only within a two-year period, but accountholders who default at any future date should be immediately obliged both to sign proper service contracts and to lodge the deposits required in terms of both such contract and the by-laws.

PART 23 REVIEW OF POLICY AND BY-LAWS

The municipal manager shall annually, as part of the process of preparing the annual budget, review the municipality's credit control and debt collection by-laws, and shall submit recommendations on any required amendments to the council for consideration and approval. The municipal manager shall further ensure that any revisions to the policy are promptly and consequentially effected in the relevant by-laws.

PART 24 CLEARANCE AND OC CERTIFICATES

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The pro-rata payment calculated based on months is expected to be paid to cover the clearance for transfer of ownership purposes, an amount of 120 days before a prescribed certificate is issued by the municipality which will be valid for the equal period of prorated payment received. (4 months)

In the event of application of section 118 is requested, the account holder shall give written proof of action taken in terms of section 27 (1A) and (2) of MPRA and in confirmation of Section 102 of the Municipal System Act.

The certificate issued by the municipality will be to certify that all amounts that became due in connection with that property for municipal services fees, surcharges on fees, property rates and other municipal taxes and levies.

For OC certificates and approvals of planning applications all consumer accounts arrears should be paid prior approval.

Only cash and electronic transfers will be accepted for clearance, no guarantees will be accepted to cover for clearance of property.

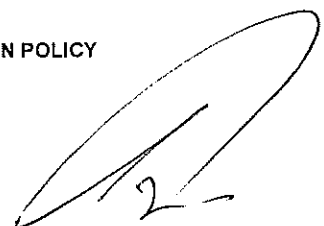
Any payments for clearance certificates, which results in a credit on sellers account based on month of registration, shall be refunded to such seller, after registration, and after finalization, to the satisfaction of the Chief Financial Officer, of the respective account and closed account.

PART 25 DEBT REDUCTION

From time-to-time payments habits of customers may be profiled for the purpose of incentives to keep customers within the payment net.

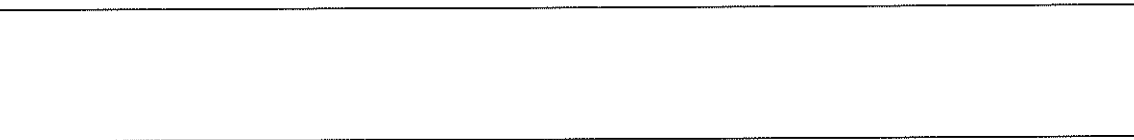
PART 26 ANNEXURE: LEGAL REQUIREMENT

It is essential for the protection of the municipality's interests that the provisions of particularly the Municipal Systems Act 2000 and the Property Rates Act 2004, in so far as they provide additional debt collection mechanisms for municipalities,

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be diligently enforced. At the same time, both the council and the administration must note the obligations which the municipality has towards the community in respect of customer care and relations.

For ease of reference a paraphrase of the relevant extracts from the Municipal Systems Act, specifically Sections 95 to 103 and Section 118, are therefore appended to this policy, as are Sections 28 and 29 of the Property Rates Act. The immediately relevant extracts from the Water Services Act 1997 and the Municipal Finance Management Act are also included in the annexure.



SECTION I: WATER SERVICES ACT NO. 108 OF 1997

SECTION 21: BY-LAWS

The Act requires a municipality, in its capacity as water services authority, to make by-laws which contain conditions for the provision of water services and which provide for the following (inter-alia):

- the standard of the services;
- the technical conditions of supply, including quality standards, units or standards of measurement, the verification of meters, acceptable limits of error and procedures for the arbitration of disputes relating to the measurement of water services provided;
- the determination and structure of tariffs;
- the payment and collection of moneys due for the water services consumed;
- the circumstances under which water services may be limited or discontinued and the procedure for such limitation or discontinuation; and

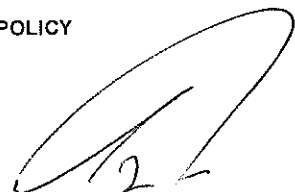
- The prevention of unlawful connexions to water services works and the unlawful or wasteful use of water.

SECTION II: LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT NO. 32 OF 2000

SECTION 95: CUSTOMER CARE AND MANAGEMENT

A municipality must, in relation to the levying of rates and other taxes, and the charging of fees for municipal services, within its financial and administrative capacity, do the following:

- establish a sound customer management system which aims to create a positive and reciprocal relationship between persons liable for these payments and the municipality itself or (where applicable) a service provider;
- establish mechanisms for users of services and ratepayers to give feedback to the municipality or other service provider with regard to the quality of the services and the performance of the service provider;
- take reasonable steps to ensure that users of services are informed of the costs involved in service provision, the reasons for the payment of service fees, and the manner in which moneys raised from the service are utilised;
- where the consumption of services is measured, take reasonable steps to ensure that the consumption by individual consumers of services is measured through accurate and verifiable metering services;
- ensure that persons liable for payments receive regular and accurate accounts which indicate the basis for calculating the amounts due;
- provide accessible mechanisms for those persons to query or verify accounts and metered consumption, as well as appeal procedures which allow such persons to receive prompt redress for inaccurate accounts;



- provide accessible mechanisms for dealing with complaints from such persons, together with prompt replies and corrective action by the municipality;
- provide mechanisms to monitor the response time and efficiency in complying with the aforementioned requirements; and
- Provide accessible pay points and other mechanisms for settling accounts or for making prepayments for services.

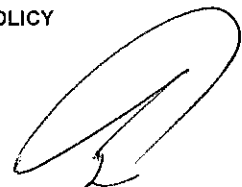
SECTION 96: DEBT COLLECTION RESPONSIBILITY OF MUNICIPALITIES

A municipality must collect all moneys that are due and payable to it, subject to the requirements of the present Act and any other applicable legislation. For this purpose, the municipality must adopt, maintain and implement a credit control and debt collection policy which is consistent with its rates and tariff policies and which complies with the provisions of the present Act.

SECTION 97: CONTENTS OF POLICY

The municipality's credit control and debt collection policy must provide for all of the following:

- credit control procedures and mechanisms;
- debt collection procedures and mechanisms;
- provision for indigent debtors in a manner consistent with its rates and tariff policies and any national policy on indigents;
- realistic targets consistent with generally recognised accounting practices and collection ratios, and the estimates of income set in the budget less an acceptable provision for bad debts;
- interest on arrears (where appropriate);
- extensions of time for payment of accounts;



- termination of services or the restriction of the provision of services when payments are in arrears;
- matters relating to unauthorised consumption of services, theft and damages; and
- Any other matters that may be prescribed by regulation in terms of the present Act.

The municipality, within its discretionary powers, may differentiate in its credit control and debt collection policy between different categories of ratepayers, users of services, debtors, taxes, services, service standards and other matters, and, if so, must ensure that such differentiation does not amount to unfair discrimination.

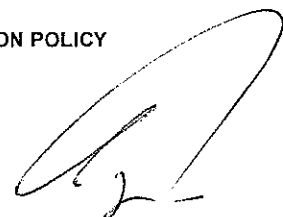
SECTION 98: BY-LAWS TO GIVE EFFECT TO POLICY

The council of the municipality must adopt by-laws to give effect to the municipality's credit control and debt collection policy, its implementation and enforcement.

Such by-laws may differentiate between different categories of ratepayers, users of services, debtors, taxes, services, service standards and other matters, and, if so, must ensure that such differentiation does not amount to unfair discrimination.

SECTION 99: SUPERVISORY AUTHORITY

A municipality's executive mayor or executive committee, as the case may be, or – if the municipality does not have an executive committee or executive mayor – the council of the municipality itself, or a committee appointed by the council as the supervisory authority, must do all of the following:

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The accounting officer must immediately inform the national treasury of any payments due by an organ of state to the municipality in respect of municipal taxes or for municipal services, if such payments are regularly in arrears for periods of more than 30 days.

(NOTE: SECTION 164: FORBIDDEN ACTIVITIES

Section 164(1) (c) lists as a forbidden activity the making by a municipality of loans to councillors or officials of a municipality, directors or officials of any municipal entity, and members of the public. It has been assumed for purposes of compiling the credit control and debt collection policy that allowing any party to pay off arrears of rates and municipal service charges is not tantamount to the making of a loan in terms of Section 164.)

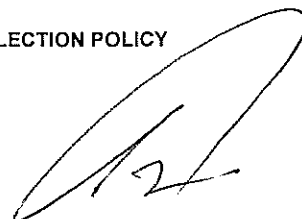
SECTION IV: LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT
NO. 6 OF 2004

SECTION 28: RECOVERY OF RATES IN ARREARS FROM TENANTS AND
OCCUPIERS

If the rates owed by a property owner are unpaid by due date, the municipality may recover such rates, either in whole or in part, from any tenant or occupier of the property concerned.

However, the tenant or occupier of the property must first be given written notice of the municipality's intentions, and the amount which the municipality may recover is limited to the amount of rent and other moneys due and unpaid by the tenant or occupier to the property owner concerned.

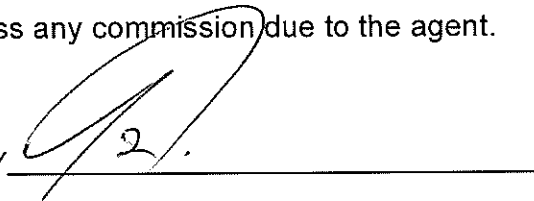
SECTION 29: RECOVERY OF RATES FROM AGENTS

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If it is more convenient for the municipality to do so, it may recover the rates due on a property, either in whole or in part, from the agent of the property owner concerned.

However, the agent must first be given written notice of the municipality's intention, and the amount the municipality may recover is limited to the amount of any rent and other moneys received by the agent on behalf of such property owner, less any commission due to the agent.

SIGNED BY



Dr Sebashe SS

ACTING MUNICIPAL MANAGER

DATE

29/5/2025