



TARIFF BY-LAW

This policy was amended by Mkhondo Local Municipality for 2023/2024, in terms of section 96(1)(a) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003)

Mkhondo Local Municipality Tariff By- Law

TABLE OF CONTENTS

1. Preamble
2. Definitions
3. Purpose
4. Adoption and Implementation of Tariff Policy
5. Tariff Policy
6. General Power to levy and Recover Fees, Charges and Tariffs
7. Enforcement of Tariff Policy
8. Offences and penalty
9. Short title commencement

1.PREAMBLE

WHEREAS section 74 of the Local Government Municipal System Act, 2000 (Act No 32 of 2000) requires a municipal council to adopt a tariff policy on the levying of fees for municipal services; AND WHEREAS the tariff policy must reflect at least the principles set out in section 74(2); AND WHEREAS the tariff policy may differentiate between categories of users, debtors, service providers, services standards, geographical areas and other matters as long as the differentiation does not amount to unfair discrimination; AND WHEREAS 75A of the Local Government: Municipal Systems Act 2000 (Act No 32 of 2000) the Municipality may levy and recover fees, charges or tariffs in respect of any function performed or service rendered by or on behalf of the Municipality and recover collection charges and interest on any outstanding amount; AND WHEREAS section 75 of the Systems Act provides that a municipal council must adopt tariff by-law to give effect to the implementation and enforcement of the tariff policy; THEREFORE the Municipal Council of Mkhondo Local Municipality adopted the following tariff By-Law.

2. Definitions:

In this by-law, any word or expression to which a meaning has been assigned in the local government: Municipal System Act, 2000 herein referred to as “the Act” bears the same meaning unless context indicate otherwise.

“Municipal Council” means the Council of Mkhondo Local Municipality;

“Constitution” means the Constitution of the Republic of South Africa;

“Indigent household” means any household or category of households, earning less than a combined gross income, as determined by council during the compilation of annual budget in terms of a social and economic analysis of its area, as vested in the municipal policy, which qualifies for rebates or remissions, support or a services subsidy.

“Municipality” means the Mkhondo Local Municipality

“tariff policy” means the tariff policy of the Council adopted in terms of section 74 (1) of the Act.

“Tariff” means fees and charges levied by the municipality in respect of any function or service provided by the municipality to the local community, and includes a surcharge on such tariff but excludes the levying of rates by the Municipality in terms of the Local Government: Municipal Property Rates Act, No 6 of 2004

“the act” means Local Government: Municipal System Act, 2000 (Act 32 of 2000);

“consumer” means a person liable to the Council for the cost to be recovered for the municipal services payable by such consumer;

3. Purpose:

To give effect to the implementation and enforcement of the municipality's tariff policy as outlined in section 75 of the act.

4. Adoption and Implementation of Tariff Policy

- (1) The municipality 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 Municipal Finance Management Act and any other applicable legislation.
- (2) The tariff policy adopted in terms of subsection (1) must be reviewed annually by the municipality.
- (3) The municipality shall not be entitled to impose tariffs other than in terms of a valid tariff policy.

5. Tariff Policy

- (1) The municipality's tariff policy applies to all tariffs imposed by the municipality.
- (2) The tariff policy must reflect the principles referred to in the Municipal Systems Act, namely that-
 - (a) users of municipal services should be treated equitably in the application of tariffs;
 - (b) the amount individual users pay for municipal 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; (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; and
 - (i) the extent of subsidisation of tariffs for poor households and other categories of users should be fully disclosed.
- (3) The municipality's tariff policy must-
 - (a) specify the manner in which the principles referred to in subsection (2) are to be implemented;
 - (b) specify the basis of differentiation, if any, between different categories of users, debtors, service providers, services, service standards, geographical areas and other matters as long as the differentiation does not amount to unfair discrimination; and
 - (c) 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.

6. General Power to Levy and Recover Fees, Charges and Tariffs

(1) The municipality has the power to-

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

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

(2) Fees, charges and tariffs referred to in subsection (1) are levied by resolution passed by the municipal council with a supporting vote of a majority of its members.

(3) After a resolution contemplated in terms of subsection (2) has been passed, the municipal manager must, without delay-

(a) conspicuously display a copy of the resolution for a period of at least 30 days at the City Hall and at such other places within the municipality to which the public has access as the municipal manager may determine;

(b) publish in a newspaper of general circulation in the municipality a notice stating-

(i) that a resolution as contemplated in subsection (3) has been passed by the council;

(ii) that a copy of the resolution is available for public inspection during office hours at the Municipal Offices, Municipal Website and at the other places specified in the notice; and

(iii) the date on which the determination will come into operation; and

7. Enforcement of Tariff Policy

(1) The municipality's tariff policy shall be enforced through-

(a) its Credit Control and Debt Collection By-law and Policy; and

(b) any other enforcement mechanism stipulated in the Tariff Policy.

8. Offences and Penalty

Any person who contravenes any provision in this by-law shall be guilty of an offence and upon conviction liable to a fine or imprisonment of not more than three months or both such fine and imprisonment.

9. Short Title and Commencement

This By-law is called the Mkhondo Local Municipality: Tariff By-law, 2023/2024, and takes effect on the date of the publication thereof in the Provincial Gazette or as otherwise indicated in the notice thereto