



## **LIM 345 LOCAL MUNICIPALITY**

### **DRAFT TARIFF BY-LAW**

To give effect to the implementation Lim 345 Local Municipality's individual tariff policies and to provide for matters incidental thereto

#### **Preamble**

1. Section 229(1) of the Constitution of the Republic of South Africa authorizes 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 authorized by a national legislation, other taxes, levies and duties.
2. In terms of section 75A of the Municipal Systems Act, 32 of 2000, a Municipality may:
  - (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.
3. In terms of section 74(1) of the Municipal Systems Act, 32 of 2000, a municipal council must adopt and implement a tariff policy on the levying of fees for a municipal service provided by the Municipality or by way service delivery agreements, and which complies with the provisions of the Municipal Systems

Act, 32 of 2000, Municipal Finance Management Act and any other applicable legislation.

4. In terms of section 75(1) of the Municipal Systems Act, 32 of 2000, a municipal council must adopt by-laws to give effect to the implementation and enforcement of its tariff policy.
5. In terms of section 75(2) of Municipal Systems Act, 32 of 2000, by laws adopted in terms subsection 75(1) may differentiate between different categories of users, debtors, service providers, services, service standards and geographical areas as long such differentiation does not amount to unfair discrimination.

BE IT THEREFORE ENACTED by the Council of the Lim 345 Local Municipality as follows:

## **6. Definitions**

In this by-law any word or expression to which a meaning has been assigned in the Act, shall bear the same meaning in these by-laws, and unless the context indicates otherwise.

**“Council”** means the Council of Lim 345 Local Municipality.

**“Credit Control and Debt Collection by-law”** means the Credit Control and Debt Collection Policy as required in terms of section 96(b) and 98 of the Municipal Systems Act, Act 32 of 2000.

**“Tariff”** means a tariff policy adopted by the Council in terms of this by-law.

### **1. Guiding principles in the determination of tariffs.**

**In the determination of the tariffs the Council shall be guided by the following principles:**

- (i) Tariffs shall be equitable and affordable in that the amount due for municipal services should generally be in proportion to their use of that service,
- (ii) Tariffs shall support national macro-economic policies and shall incorporate visions, strategies and economic policies of the Republic of South Africa.

- (iii) Tariffs shall be cost –effective and cost reflective and should reflect the cost reasonably associated with rendering of municipal service, including capital, operating , maintenance, administration, replacements costs and financing charges.
- (iv) Tariffs shall promote the sustainability of the provision of the municipal services

## **7. Adoption and implementation of the tariff policy.**

The Council shall adopt and implement a tariff policy on the levying of fees for municipal service provided by the Council or by way of service delivery agreements which complies with the provisions of the Municipal Systems Act, 32 of 2000, Municipal Finance Management Act, 56 of 2003 and any other applicable legislation.

## **8. Enforcement of the tariff policy**

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

## **9. Short title and commencement**

This By-law is the Tariff By-law and takes effect on the 01 July 2017