



DRAFT

TARIFF BY LAW

MAHIKENG LOCAL MUNICIPALITY TARIFF BY-LAW

By-law

To give effect to the implementation of the Mahikeng Local Municipality's 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 national legislation, other taxes, levies and duties appropriate to local government or to the category of local into which that municipality falls.
2. In terms of section 74(1) of the 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 of service delivery agreements and which complies with the provisions of the Systems act, the Municipal Finance Management and any other applicable legislation.
3. In terms of section 75(1) of the Systems Act, 32 of 2000, a municipal council must adopt by-laws to give effect to the implementation and enforcement of its tariff policies.
4. In terms of section 75(2) of the Systems Act, 32 of 2000, 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.
5. Section 75A of the Systems Act, 32 of 2000, provides that 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.

BE IT THEREFORE ENACTED by the Council of the Mahikeng Local Municipality, as follows:-

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 bylaws, and unless the context indicates otherwise —

“**Council**” means the Council of the Mahikeng Local Municipality;

“**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 the Systems act;

“**Tariff**” means fees, charges or any other tariffs levied by the council in respect of any function or service provided by the Council, excluding rates levied by the council in terms of the Local Government Municipal Property Rates act, 6 of 2004.

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

1. Guiding principles in the determination of tariffs.

In the determination of 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 municipal services, including capital, operating, maintenance, administration, replacement costs and financing charges;
- iv. Tariffs shall promote the sustainability of the provision of municipal service;

2. Application of BYLAW

The Municipality tariff policy shall inter alia:

- (1) apply to all tariffs imposed by the Municipality pursuant to the adoption of the municipality's annual budget
- (2) reflect the principles referred to in section 74(2) of the Systems Act and specify any further principles for the imposition of tariffs which the municipality may wish to adopt.
- (3) Specify the manner in which the principles referred to in section 4(2) are to be implemented in terms of the tariff policy;
- (4) Specify the basis of differentiation, if any, for tariff purpose 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;
- (5) Include such further enforcement mechanism, if any, as the municipality may wish to impose in addition to those contained in the Credit control and Debt Collection By law

3. Adoption and implementation of Tariff Policy

The council shall adopt and implement a tariff policy on the levying of fees for a municipal service provided by the council or by way of service delivery agreements which complies with the provisions of the Systems Act, 32 of 2000, the Local Government Municipal Finance Management Act, 53 of 2003 and any other applicable legislation

4. Enforcement of Tariff policy

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

5. Short title and commencement

This By-law is the Tariff By-law of Mahikeng Local Municipality and shall come into operation on the date of publication thereof in the Provincial Gazette.

DRAFT