

Table of Contents

Credit Control and Debt Collection By-law	3
1. Definitions	3
2. Scope	4
3. Provision of services	4
4. Service agreement	4
5. Charges for services and amount of rates	4
6. Deposits	4
7. Interest charges	5
8. Debt collection responsibility	5
9. Agreement to pay arrears	5
10. Restriction or disconnection of supply of services	5
11. Recovery of costs	5
12. Consolidation and crediting of accounts	6
13. Attachment	6
14. Payments	6
15. Indigents	6
16. Amendments to the policy	6
17. Delegation	6
18. Refund of payments not due to council	7
19. Offences and penalties	7
Schedule	9
Part 1 – Rates	9
1. When due and payable	9
2. Liability for the payment	9
3. Annual payment	9
4. Payment by instalments	9
5. Accounts	9
Part 2 – Services	10
6. When due and payable	10
7. Liability for the payment	10
8. Accounts	10
9. Default on payment	10
10. Debt Agreement	10
11. Agreements with employers	11
12. Restriction or disconnection of supply of services	11
13. Illegal re-connection	11
14. Tampering	11
15. Prepaid services	12
16. Deposits	12
17. Interest charges	12
Part 3 – Housing	12
18. Application	12

Table of Contents

19. Interest	12
20. Default on payment	12
21. Debt Agreement	13
22. Agreements with employers	13
23. Legal costs	13
Part 4 – Other Debt	13
24. Application	13
25. Sundries	13
26. Leases: immovable property	14
Part 5 – Indigent Relief	14
27. Determination of relief	14
28. Application for relief	14
Part 6 – Queries, Complaints and Appeals	14
29. Queries or complaints in respect of an account	14
30. Appeals	15
Part 7 – Regional Services Levy	15
31. Definitions	15
32. Levies	15
33. When due and payable	15
34. Failure to pay	15
35. Incorrect payment	15
36. Failure to furnish return	16
37. Interest	16
38. Measures to recover levies	16
39. Appropriation of payments	16

Credit Control and Debt Collection By-law

Published in [Western Cape Provincial Gazette no. 6303](#) on 3 October 2005

Commences on 3 October 2005 unless otherwise noted

To give effect to the municipality's credit control and debt collection policy, its implementation and enforcement, as required by Section 98 of the Municipal Systems [Act, 32 of 2000](#), and to give effect to the duty imposed by Section 96 of the Municipal Systems Act to collect all money that is due and payable to the municipality.

1. Definitions

Unless inconsistent with the context—

"**council**" means the municipal council of the municipality;

"**debt**" means any monies owing to the municipality in respect of the rendering of a service, and includes monies owing in regard to property rates, housing and any other amounts owing to the municipality;

"**debt agreement**" means a written agreement between the municipal manager and a debtor in terms of which the debtor is allowed to settle arrear debt subject to terms and conditions;

"**debtor**" means any person who owes a debt to the council;

"**due date**" in the absence of any express agreement and in relation to—

- (a) rates, other than rates which are being paid by instalments, means the first day of July of the financial year for which such rate is determined, and
- (b) any service and rates which are being paid by instalments, means the date stipulated on the account and determined by the municipal manager as the last date on which the account can be paid;

"**indigent**" means a debtor who cannot afford to pay for the basic supply of services or rates;

"**mayor**" means the executive mayor of the municipality;

"**MFMA**" means the Local Government: Municipal Finance Management [Act, No 56 of 2003](#)

"**municipality**" means the Municipality of Cape Agulhas;

"**municipal manager**" means the person appointed by the council in terms of the Structures Act;

"**Property Rates Act**" means the Local Government: Municipal Property Rates [Act, No. 6 of 2004](#)

"**policy**" means the municipality's credit control and debt collection policy, reflected in the schedule to this by-law;

"**pre-payment meter**" means a meter that can be programmed to allow the flow of pre-purchased amounts of energy in an electrical circuit;

"**rates**" means a municipal rate on rateable property;

"**rateable property**" means property on which the municipality may levy a rate in terms of the Property Rates Act;

"**rates policy and by-law**" means the municipality's Rates Policy By-law, published in the Provincial Gazette;

"**service**" means any municipal service as defined in the Systems Act and any other service rendered by the municipality as defined in the policy, and

"**Systems Act**" means the Local Government: Municipal Systems Act, 2000 ([Act 32 of 2000](#));

"**Structures Act**" means the Local Government: Municipal Structures Act, 1998 ([Act 117 of 1998](#));

"**tariff policy and by-law**" means the municipality's Tariff Policy By-law, published in the Provincial Gazette;

"**user**" means a person who has applied for and entered into an agreement with the municipality for the supply of any service by the municipality or any person who in terms of any other by-law of the municipality is liable for the payment of a service.

2. Scope

The credit control and debt collection mechanisms and procedures in this by-law aim to ensure the collection of all moneys due and payable to the municipality, including but not limited to—

- (a) fees, charges or tariffs in respect of services;
- (b) rates;
- (c) sundry fees, charges or tariffs; and
- (d) charges and interest on any outstanding amount.

3. Provision of services

- (1) Any person who wishes to make use of a service must apply for it on the prescribed official form.
- (2) An application for a service must be lodged with the municipality in terms of the provisions of the particular by-law regulating the relevant service or in terms of the policy if the particular by-law does not contain such a provision.
- (3) Any person who no longer wishes to make use of a service must inform the municipal manager thereof in writing on the official discontinuance form.

4. Service agreement

- (1) Unless provided differently in a by-law referred to in section 3(2), or other applicable legislation, a person whose application for a service has been approved must enter into an agreement with the municipality for the rendering of such service.
- (2) Unless provided differently in a by-law referred to in section 3(2), the municipal manager may, on behalf of the municipality, enter into an agreement with a person requiring a service.
- (3) Except as otherwise determined in this by-law, no service will be rendered until an agreement has been entered into between the municipality and the user.

5. Charges for services and amount of rates

- (1) All fees, charges or tariffs payable in respect of services, including but not limited to the payment of the connection charges, fixed charges or any additional charges and interest on outstanding amounts are determined by the Council in accordance with—
 - (a) section 75A of the Systems Act, and
 - (b) its tariff policy and by-law in respect thereof;
- (2) The amount of rates payable by the owner of rateable property and interest on outstanding amounts are determined by the council in accordance with—
 - (a) chapter 2 of the Property Rates Act, and
 - (b) its rates policy and by-law in respect thereof.

6. Deposits

- (1) Deposits are payable in respect of water and electricity services only; provided that no deposit is payable if a pre-payment meter is installed for the particular service.
- (2) Deposits are payable in advance for the provision of new services or the reconnection of services.
- (3) The council determines deposits for the different categories of users and services when it determines tariffs annually.
- (4) The municipal manager may adjust the amount of any existing deposit, as set out in the policy.

7. Interest charges

- (1) The municipal manager must monthly charge and recover interest in respect of any debt that is in arrears after the due date, from the first working day of the month following the due date.
- (2) For the purposes of subsection (1) a part of a month shall be deemed to be a month.

8. Debt collection responsibility

- (1) The municipal manager must collect all money that is due and payable to the municipality, subject to the Systems Act, Property Rates Act, this by-law and any other applicable legislation.
- (2) No deviation from the policy is permissible without amendment to the policy itself.

9. Agreement to pay arrears

- (1) The municipal manager may enter into a debt agreement with a debtor, subject to the provisions of the policy.
- (2) A debtor who refuses to enter into a debt agreement in respect of any arrear debt, will be dealt with as prescribed in the policy.
- (3) Should any dispute arise as to the amount of the arrear debt, the debtor must nevertheless continue to make regular payments, in terms of the debt agreement, until such time as the dispute has been settled.

10. Restriction or disconnection of supply of services

- (1) The municipal manager may restrict or disconnect the supply of water or electricity, or discontinue any other service to the premises of any user whenever such user—
 - (a) fails to make payment before or on the due date;
 - (b) fails to comply with a debt agreement;
 - (c) unlawfully reconnects a restricted or disconnected service;
 - (d) tampers with a service or bypasses a meter;
 - (e) fails to comply with a condition of supply imposed by the municipality.
- (2) The municipal manager may reconnect and restore full levels of supply of any of the restricted or discontinued services only—
 - (a) after the arrear debt, including interest and the costs of disconnection or reconnection, if any, have been paid in full and any other conditions of the municipality have been complied with, or
 - (b) after a debt agreement with the debtor has been concluded.
- (3) The municipal manager may restrict, disconnect or discontinue any service in respect of any arrear debt.

11. Recovery of costs

The municipal manager may recover the following costs, incurred by or on behalf of the municipality—

- (a) actual costs and administration fees where payments made to the municipality by negotiable instruments are dishonoured by banks when presented for payment;
- (b) all legal and administration costs, including attorney-and-client costs, interest on arrears, collection commission and tracing fees incurred in the recovery of debts;
- (c) the actual costs incurred relating to any action taken in demanding payment from a user or reminding a user by means of telephone, fax, e-mail, letter or otherwise;
- (d) disconnection, defaulter and reconnection fees, where any service has been disconnected as a result of non-compliance with this by-laws, and
- (e) any losses the municipality may suffer as a result of tampering with municipal equipment or meters.

12. Consolidation and crediting of accounts

The municipal manager may—

- (a) consolidate any separate accounts of a debtor; and
- (b) credit a payment by such a debtor against any account of that debtor; and
- (c) appropriate any payment by a user, firstly to the costs referred to in section 9, then to any interest charges due, and thereafter to the outstanding amount.

13. Attachment

- (1) The municipal manager may, in order to recover debt, as a last resort, apply to a competent court to attach a debtor's movable and immovable property.
- (2) The municipal manager may apply to a court for the attachment of any rent, due in respect of any rateable property, to cover in part or in full any amount in respect of property rates outstanding for a period longer than three months after the due date for payment.

14. Payments

- (1) Any amount tendered in defrayment of a debt, will be accepted at any cash receiving office of the municipality or office of an authorised agent.
- (2) An offer of payment in full and final settlement of a debt, whilst such amount is less than the outstanding amount, will be credited against the debtor's account, but without admitting acceptance of the offer.
- (3) Only official receipts of the municipality are recognised as proof of payment.

15. Indigents

A debtor, who can prove indigence, will be dealt with as prescribed in the policy.

16. Amendments to the policy

- (1) The mayor must, when preparing the annual budget, coordinate the processes for reviewing the policy in terms of the MFMA, if necessary.
- (2) Any changes to the policy must be approved together with the adoption of the annual budget in terms of the MFMA and published as an amendment to this by-law.

17. Delegation

The municipal manager may in writing delegate any power or duty conferred on the municipal manager in terms of this by-law, to an official of the municipality.

18. Refund of payments not due to council

- (1) Where any amount has been paid to the council by or behalf of any person in consequence of an error of fact or of law while such amount is not lawfully due to the council the municipal manager must, on written application within a period of twelve months from the payment of such amount, refund such person.
- (2) Notwithstanding the provisions of subsection (1) the municipal manager may utilise such amount in full or partial settlement of any other amount due and payable to the council by such person on the date of such application, and refund the balance (if any) of such amount after such settlement.

19. Offences and penalties

Any person who—

- (a) obstructs or hinders the municipal manager or any official of the municipality in the execution of his or her duties under this by-law;
- (b) uses or interferes with municipal equipment or consumption of services supplied;
- (c) tampers with any municipal equipment or breaks any seal on a meter;
- (d) contravenes or fails to comply with the provisions of this by-law or the policy, or
- (e) fails to comply with a notice served in terms of this bylaw;

is guilty of an offence and liable on conviction to pay a fine.

Schedule

Part 1 – Rates

1. When due and payable

All rates as assessed by the council become due and payable on the due date for such rate; provided that any rates assessed in respect of immovable property becoming ratable after the due date, become due and payable on the date on which notice of the assessment thereof is served on the owner.

2. Liability for the payment

The owner of ratable property is on the due date, in the financial year for which any rate is made, liable for the payment of all rates assessed thereon in respect of such rate; provided that in the case of immovable property becoming ratable after such due date, the owner on the date on which it so becomes ratable shall be liable to pay such rates.

3. Annual payment

- (1) If any rates, other than rates which are being paid in instalments, remain unpaid after a period of four months from the date upon which such rates became due and payable, interest thereon is calculated from the day following the expiration of such period.
- (2) If any rates, other than rates which are being paid in instalments remain unpaid after a period of four months from the date on which such rates became due and payable, the municipal manager must—
 - (a) demand payment of the amount due and payable within a period of fourteen days, and
 - (b) if after the expiration of the aforementioned period of fourteen days such rates have not been paid, cause legal proceedings to be instituted for the recovery thereof.

4. Payment by instalments

- (1) An owner of ratable property may pay all rates in respect of such property by instalments. Payment will then be in twelve equal instalments and will be due and payable on or before the due date.
- (2) If any instalment referred to in subitem (1) remains unpaid after the due date, the municipal manager—
 - (a) must charge and recover interest thereon from the first working day of the month following the due date, for each month for which such instalment remains unpaid, and
 - (b) must, if not less than three instalments, whether consecutive or not, are so unpaid or paid in arrear during any financial year, withdraw the owners right to pay rates by instalments.
- (3) If rates which are being paid in instalments have not been paid in full after the expiration of a period of twelve months from the date on which such rates became due and payable, the municipal manager must—
 - (a) demand payment of the amount due and payable within a period of fourteen days, and
 - (b) if after the expiration of the aforementioned period of fourteen days such rates have not been paid, cause legal proceedings to be instituted for the recovery thereof.

5. Accounts

- (1) An account for rates, other than rates which are being paid in instalments, will during the first month of the financial year be sent to the owner of ratable property.
- (2) An account for rates which are being paid in instalments, will monthly be sent to the owner of ratable property.

- (3) The fact that a ratepayer did not receive an account does not exempt such ratepayer from making payments before or on the due date.

Part 2 – Services

6. When due and payable

All services rendered by the municipality become due and payable by the user on the due date.

7. Liability for the payment

The user of a service must pay for such service on or before the due date.

8. Accounts

- (1) An account for services will be sent monthly to the user of such services.
- (2) The fact that a user did not receive an account does not exempt such ratepayer from making payments before or on the due date.

9. Default on payment

- (1) If an account for any services remains unpaid on the due date the municipal manager must levy interest thereon.
- (2) If an account for any service remains unpaid after a period of one month from the due date, the municipal manager must—
 - (a) demand payment of the amount due and payable within a period of seven days, and
 - (b) afford the debtor the opportunity to conclude a debt agreement in terms of item 10.
- (3) If the debtor is unwilling to conclude a debt agreement or if the debtor with whom a debt agreement has been concluded fails to pay three instalments, whether consecutive or not, the municipal manager must demand payment of the amount due and payable within a period of fourteen days, and may—
 - (a) conclude an agreement with the debtor's employer in terms of item 11; or
 - (b) restrict or disconnect the supply of services.
- (4) If an agreement with the debtor's employer cannot be concluded, and the debtor cannot prove indigence, the municipal manager must cause legal proceedings to be instituted for the recovery of the debt.

10. Debt Agreement

- (1) A debtor may in writing request the municipal manager to—
 - (a) extend the time within which to pay any outstanding amount for services, or
 - (b) pay the arrear debt by instalments in accordance with the "Masakhane" work procedures.
- (2) If the municipal manager favourably considers the debtor's request a written agreement must be entered into between the municipality and the debtor for—
 - (a) the extension of the time within which to pay any arrear amount for services, by not more than thirty six months; provided that the debtor continues to pay the current monthly account, or
 - (b) the payment in regular and consecutive monthly instalments of the arrear balance, costs and interest on it; provided that a single instalment in respect of arrear debt may not be less than R50,00.

- (3) A debt agreement may only be concluded with a debtor who is employed, if the debtor signs a stop order that provides for deduction from his or her salary of arrears as well as the current account over the agreed period.
- (4) The municipal manager is authorised to enter into agreements with a debtor as mentioned in subitem (2).

11. Agreements with employers

The municipal manager may with the consent of a debtor, enter into an agreement with that debtor's employer to deduct from the salary or wages of that debtor—

- (a) any outstanding amounts due by that debtor to the municipality; or
- (b) regular monthly amounts as may be agreed.

12. Restriction or disconnection of supply of services

- (1) The municipal manager may restrict or disconnect the supply of water or electricity, or discontinue any other service to the premises of any user whenever such user of a service fails to:
 - (a) make payment before or on the due date,
 - (b) comply with the terms and conditions of a debt agreement, or
 - (c) comply with a condition of supply imposed by the municipality.
- (2) The municipal manager will reconnect and restore full levels of supply of any of the restricted or discontinued services only after the arrear debt, including the costs of disconnection or reconnection and/or defaulters cost, if any, have been paid in full and any other conditions of the municipality has been complied with.
- (3) The municipal manager may restrict, disconnect or discontinue any service in respect of any arrear debt.

13. Illegal re-connection

- (1) The municipal manager may disconnect a user from all services if—
 - (a) the supply of water or electricity has been unlawfully reconnected after having been restricted or disconnected, in terms of item 12(1).
 - (b) the user allowed tampering with the supply; or
 - (c) a by-pass was made.
- (2) A person who re-connects the supply of water or electricity in the circumstances referred to in item 12(1) is liable for the cost associated with any consumption, the cost of de- and/or re-connection and all other costs incurred by the municipality pursuant to the disconnection, notwithstanding any other actions which the municipal manager may take against such a person.
- (3) The municipal manager may only reinstate the supply of services when the amounts referred to in subitem (2) have been paid in full.

14. Tampering

- (1) Where an electrical or water supply is found to have been tampered with or the meter bypassed, the municipal manager may, notwithstanding the provisions in the municipality's by-laws relating to water and electricity, disconnect the relevant supply.
- (2) A person who tampers with the supply of water or electricity in the circumstances referred to in subitem (1) or permits such tampering, is liable for the cost associated with any consumption, the cost of de- and/or re-connection and all other costs incurred by the municipality pursuant to the disconnection,

notwithstanding any other actions which the municipal manager may take against such a person.

- (3) The municipal manager may only reinstate the supply of services when the amounts referred to in subitem (2) have been paid in full.

15. Prepaid services

The municipal manager may conclude an agreement with the user of a pre-paid service to appropriate no more than 50 per cent of prepayments to any other outstanding debt of such user.

16. Deposits

- (1) A user must on application for the provision of services pay the required deposit.
- (2) The municipal manager may, in any service agreement, determine and require a deposit from the user, equivalent to at least twice the charge for one month's estimated supply of the particular service to the particular user.
- (3) The municipal manager may reassess deposits for new commercial and industrial users three months after the initial deposit date, and may, as a result of this reassessment require an additional deposit from any such customer.
- (4) The municipal manager may increase the deposit required from the user for the supply of a service, to a greater amount, after the disconnection of services to a user before resuming the supply to a user of a service. The increased deposit may be required in addition to a reconnection/defaulters fee.
- (5) The municipality renders no service before a deposit and connection fees have been paid in full.
- (6) Deposits must be paid in cash or by cheque. The municipal manager may accept a bank guarantee in cases where the deposit exceeds R2 000,00 and subject to such terms and conditions as the municipal manager may deem fit.
- (7) No interest is payable by the municipality on any deposit held.
- (8) The deposit, if any, is refundable to the user on termination of the service agreement, unless the deposit has been used in full or partially to set off any outstanding or arrears amounts on the user's account. A deposit is forfeited to the municipality if it has not been claimed by the user within 12 months of termination of the service agreement.

17. Interest charges

All amounts outstanding after the due date for payment bear interest at the rate of interest, determined by council from time to time, as from the due date for payment.

Part 3 – Housing

18. Application

The provisions of this part do not derogate from any other statutory or contractual provision relating to credit control or debt collection contained in that statute or contract.

19. Interest

The municipal manager must charge interest on all overdue accounts.

20. Default on payment

- (1) If payment is not received from a debtor on the expiry of a period of one month from the due date, the

municipal manager must—

- (a) demand payment of the amount due and payable within a period of fourteen days, and
 - (b) afford the debtor the opportunity to conclude a debt agreement in terms of item 21.
- (2) If the debtor is unwilling to conclude a debt agreement or if the debtor with whom a debt agreement has been concluded fails to pay three instalments, whether consecutive or not, the municipal manager must demand payment of the amount due and payable within a period of fourteen days, and may conclude an agreement with the debtor's employer in terms of item 22.
- (3) If an agreement with the debtor's employer cannot be concluded the municipal manager must institute legal proceedings for the recovery of the debt.

21. Debt Agreement

- (1) The municipal manager may by written agreement between the municipality and the debtor and taking into account the "Masakhane" work procedures—
- (a) extend the time within which the debtor must pay any arrear debt by not more than three months, or
 - (b) allow the debtor to pay the arrear debt, apart from the current monthly account, by regular and consecutive monthly instalments over a period of not more than thirty six months and at a minimum installment of R50,00 per month; provided that a single instalment must at least exceed the current monthly obligation by R50,00.
- (2) The municipal manager is authorised to enter into agreements with a debtor as mentioned in subitem (1).

22. Agreements with employers

The municipal manager may with the consent of a debtor, enter into an agreement with that debtor's employer to deduct from the salary or wages of that debtor—

- (a) any outstanding amounts due by that debtor to the municipality; or
- (b) regular monthly amounts as may be agreed.

23. Legal costs

The debtor is responsible for all legal and collection costs.

Part 4 – Other Debt

24. Application

"Other debt" means any moneys due and payable to the municipality, for whatever purpose relative to its powers and function, but does not include moneys due and payable to the municipality in respect of rates, services and housing.

25. Sundries

- (1) Interest will be charged on all overdue accounts.
- (2) The municipal manager may in the recovery of sundry debt utilise any legal action as well as making use of any third party debt collector.
- (3) The municipal manager may disconnect or terminate services to a user in an endeavour to obtain payment on overdue accounts.

26. Leases: immovable property

The procedure to recover arrears in respect of immovable property let by the municipality must be in accordance with the terms of the relevant lease agreement.

Part 5 – Indigent Relief

27. Determination of relief

- (1) The Council will annually, as part of its budgetary process, determine the levels of relief measures for indigent users and property owners in respect of rates and services, but subject to principles of sustainability and affordability.
- (2) The Council will, subject to the availability of funds, by means of cross subsidation in the case of paragraphs (a), (b) and (f), and by means of compassionate allocations to qualifying indigent and poor households within the limits determined by council from time to time, in the case of paragraphs (c), (d) en (e), subsidise services as follows—
 - (a) Water supply: 6 kilolitres per household per month for all households;
 - (b) Electricity supply: 50 kWh per household per month for all households;
 - (c) Sanitation services: a monthly amount as determined by Council from time to time;
 - (d) Refuse Removal: a monthly amount as determined by Council from time to time;
 - (e) Water availability fees: a monthly amount as determined by council from time to time;
 - (f) Rates: An amount for rates based on the valuation of the property with improvements that is used fully or partially for residential purposes.

28. Application for relief

- (1) A debtor must make application for indigent relief on an application form prescribed by the municipal manager.
- (2) Only debt of household users of municipal services will be considered for indigent relief.
- (3) A debtor who qualifies for indigent relief must reapply every 6 months in order to determine whether or not the debtor's financial circumstances have changed. Failure to comply will result in their indigent status being revoked and the compassionate allowance being discontinued.

Part 6 – Queries, Complaints and Appeals

29. Queries or complaints in respect of an account

- (1) A user may lodge a query or complaint in respect of the accuracy of an amount due and payable in respect of a specific service as reflected on the account rendered.
- (2) A query or complaint must be lodged with the municipal manager before the due date for payment of the account.
- (3) A query or complaint must be accompanied by the payment of—
 - (a) the average of the last three month's accounts where history of the account is available; or
 - (b) an estimated amount provided by the municipal manager before payment due date until the matter is resolved.
- (4) Failure to make such interim payment or payments will render the user liable for restriction or disconnection of the services provided.

- (5) A user may not withhold payment of future accounts because a query or complaint was lodged.
- (6) The municipal manager—
 - (a) must investigate the query or complaint; and
 - (b) must inform the user, in writing, of his or her finding within one month after the query or complaint was received.

30. Appeals

A user may appeal in writing against a finding of the municipal manager in terms of section 62 of the Systems Act.

Part 7 – Regional Services Levy

31. Definitions

In this part unless inconsistent with the context:

"**RSC act**" means the Regional Services Council [Act No 109 of 1985](#) and includes a regulation made by the Minister of Finance in terms thereof;

"**due date**" means the twentieth day of every calendar month;

"**levypayer**" means any person who is liable for the payment of a regional services levy or regional establishment levy;

"**SARS**" means the South African Revenue Services.

32. Levies

The Council levies and claims in terms of the RSC act—

- (a) a regional services levy from every employer who employs or is deemed to employ employees within its region, and each person carrying on or deemed to be carrying on an enterprise as referred to in the RSC act within its region, and
- (b) a regional establishment levy from every person carrying on or deemed to be carrying on an enterprise within its region.

33. When due and payable

A levypayer must pay a levy for which the levypayer is liable on or before the due date, provided that in the case of levypayers in the rural area such due date must be construed as 20 days after the end of a financial year.

34. Failure to pay

Where a levypayer has failed to pay any levy by the due date the municipal manager must by written notice request such levypayer to pay the outstanding amount within 14 days and thereafter proceed to recover such outstanding levy.

35. Incorrect payment

- (1) If it is found that the levy that a levypayer paid is incorrect the municipal manager must either refund the excess amount or recover the underpaid amount.
- (2) If the municipal manager has reason to believe that a levypayer has not paid in full a levy for which the levypayer is liable, he or she may submit the matter to SARS for such action as it deems fit.

36. Failure to furnish return

- (1) If a levypayer fails to furnish a return that is required in terms of the RSC act the municipal manager—
 - (a) must by notice remind the levypayer to submit such return within 14 days;
 - (b) must give the levypayer a final notice to submit such return within 14 days;
- (2) If a levypayer fails to furnish a return the municipal manager—
 - (a) may estimate the amount of any levy which in his or her opinion, is probably payable;
 - (b) may make an assessment of the amount of the unpaid levy;
 - (c) must give the levypayer concerned notice of such assessment; and
 - (d) must recover the levy so assessed from the levypayer.

37. Interest

- (1) If a levy payer fails to pay such levy in full on the due date, interest shall become payable by that person on the balance of the levy outstanding, reckoned from the due date.
- (2) Interest will be charged on all overdue accounts at the same rate as the rate determined from time to time for the purposes of paragraph (b) of the definition of "prescribed rate" in section 1 of the Income Tax Act, 1962 ([Act No 58 of 1962](#)).

38. Measures to recover levies

- (1) The municipal manager may use any of the following measures to recover any levy or any outstanding levy—
 - (a) permitting the levypayer to pay levies in installments;
 - (b) using a third party collection agency;
 - (c) issuing civil summons;
 - (d) instituting criminal charges as contemplated in the RSC act.
- (2) A levypayer who cannot pay in full a levy for which the levypayer is liable may request the municipal manager for approval to pay off the amount of such levy in monthly instalments; provided that no more than 3 instalments is permissible where the amount is less than R2 500,00 and no more than 6 instalments is permissible where the amount is more than R2 500,00; and provided further that the current monthly levy is also paid.
- (3) The municipal manager must conclude an agreement with a levypayer referred to in sub-item (2) and must, in the event of a breach of the agreement, immediately recover the full outstanding amount.

39. Appropriation of payments

Payments by a levypayer will be appropriated in the following sequence:

- (a) legal costs incurred;
- (b) interest;
- (c) establishment levies;
- (d) services levies.