

CREDIT CONTROL BYLAWS

Definitions

1. In these bylaws, unless the context otherwise indicates -

“bank guarantee” means an unconditional undertaking by a financial institution whereby it guarantees a specified maximum amount to be paid if the principal debtor (“the consumer”) fails to pay;

“calculated amounts” means the amounts calculated by the City Treasurer to be due to the Council by a consumer in respect of the supply of the applicable municipal services for any period during which the exact quantity of the supply cannot be determined accurately for reasons beyond the control of the City Treasurer, and shall be based on the average consumption figures, if available, for the service rendered to the customer over the three months immediately prior to any such period commencing or, failing the availability of such data, on the average consumption figures applicable to one or more properties of similar size and nature in the area in which the customer resides or carries on business;

“City Treasurer” means the head of department responsible for Council’s financial affairs or any person duly authorised by the Council to act on behalf of such person;

“consolidated account” means one combined account for all municipal services and basic charges payable, and “consolidated bill” has a corresponding meaning;

“consumer” means a customer;

“conventional electricity and water meters” means electricity and/or water meters, as the case may be, which are used to determine the supply of electricity and water and which are read on a monthly or other fixed interval basis;

“Council” means the Msunduzi Municipality and its successors in law and includes the Council of that municipality or its Executive Committee or any other body acting by virtue of any power delegated to it in terms of legislation, as well as any officer to whom the Executive Committee has delegated any powers and duties with regard to these bylaws;

“customer” means any person to whom a service is, or has been, rendered by the Council and includes an occupier;

“deposit” means a minimum sum of money specified by the City Treasurer and payable by the consumer to the Municipality prior to occupation of the property or prior to the date on which services to the property are required;

“due date” means, in the absence of any express agreement in relation thereto between the Council and the customer, the date stipulated on the account and determined from time to time as the last date on which the account can be paid;

“existing customers” means customers who have already entered into an agreement for the supply of municipal services;

“financial year” means 1 July in any year to 30 June the following year;

“meter audits” means an investigation to verify the correctness of the consumption and supply of electricity and water;

“normal office hours” means the hours when the City Treasurer’s offices are open to the public from Mondays to Fridays, excluding public holidays;

“service accounts” means accounts in respect of electricity and/or water consumption;

“service agreement” means an agreement for the consumption of electricity and/or water;

“terminated account” means the final account for services after the customer has left the premises, whether or not the customer has given notice to terminate the supply of service;

“variable flow-restricting device” means a device that is coupled to the water connection that allows the water supply to be restricted or closed;

“visitation fee” means the fee charged for disconnection/reconnection of an electricity/water supply when the supply has been disconnected due to non-payment, which fee shall be determined periodically by the Council and shall form part of the municipal tariff of charges;

“voluntary garnishee order/emoluments order” means a court order for the deduction of an amount of money from the salary or other income of a customer.

Service agreement

2. (1) Before being provided with electricity, water and/or other customer services, and prior to taking occupation of premises, every customer shall enter into a service agreement with the Council in which, inter alia, the customer agrees that the electricity and/or water payment system may be used for the collection of arrears in respect of all service charges.
- (2) Where a consumer has failed to enter into a service agreement with the Council, water and/or electricity shall be restricted or disconnected, as the circumstances may require, until such time as a service agreement has been entered into and the applicable deposits have been paid. Such consumer is liable for calculated amounts.
- (3) The service agreement shall indicate that transfer of the property may not be registered until the municipality issues a certificate which certifies that all amounts due in connection with that property for municipal service fees, property rates and other municipal taxes, levies and duties during the two years preceding the date of application for the certificate, have been fully paid.

Accounts

3. (1) The Council shall bill the inhabitants of, and property owners and property occupiers within, its area, for municipal services supplied to them by the Council at regular intervals or as prescribed by law.
- (2) The customer shall be liable for, inter alia, refuse and sewage charges.
- (3) The Council shall post the consolidated account to the customer at the address notified and preferred by each customer, to reach the customer before the due date printed on the account. Any change of address becomes effective only when the notification of the change is received and acknowledged by the Council.
- (4) The consumer shall, in writing, notify the Council of any change of address, including an e-mail address, where possible. Notwithstanding the fact that a customer has not received an account as a result of his failing to notify the Council of his change of address, the customer is nevertheless liable for payment

of such account.

- (5) The customer shall pay, in full, the account rendered, on or before the due date. Failure to comply with this section shall result in debt collection action being instituted against the customer, and interest at the rate determined from time to time by the Council or, in the absence of any determination, as prescribed by law, may be charged from the date upon which the amount of the account was due for payment.
- (6) All payments received by the City Treasurer shall be allocated to the services listed below in the sequence indicated:
 - Other (miscellaneous)
 - Refuse removal
 - Sewage
 - Water
 - Electricity
- (7) A customer shall not be entitled to allocate any payment he has made to any portion of the total debt due to the Council.

Deposits

4. (1) Subject to subsections (4) and (5) hereof, the calculation for deposits shall be based on two months' consumption of metered services together with any charges for other municipal services, or a minimum amount specified by the City Treasurer
- (2) In determining the deposit described in section 4(1), the City Treasurer may differentiate between areas to give cognisance to differences in service standards and usage.
- (3) The City Treasurer may re-assess customer deposits for new commercial and industrial customers 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 City Treasurer may review deposits annually or when a customer's service is disconnected as a result of non-payment.
- (5) Should the customer's services be disconnected twice during any twelve month period due to non-payment, the customer's deposit shall be adjusted the following month to conform with section 4(4).
- (6) The outcome of this review shall be communicated to the customer in the event of any variation in the deposit arrangements being required. Should the deposit mentioned in section 4(2) or 4(3) be found to be inadequate, the customer may make arrangements with the City Treasurer for the payment of the additional amount within a period of three months.
- (7) All deposits shall be paid at least two days prior to occupation of the property or prior to the date on which the services are required, if not required on date of occupation. Failure to comply with this bylaw may result in a delay in the connection of services and the Council shall not be liable for any loss or prejudice suffered by a customer as a result thereof.

Disconnection for non-payment

5. (1) The Council shall not be obliged to issue any final request notices or other reminders to customers whose accounts are in arrears, prior to disconnection.
- (2) The consolidated account, if in arrears for 30 days or more, shall reflect a warning message which shall be deemed to be proper and sufficient notification to the customer that his services shall be disconnected or restricted unless payment is received on or before the due date.
- (3) In the event that full payment of the consolidated account, including any accumulated arrears, is not received on or before the due date, the electricity supply and thereafter the water supply shall be disconnected/restricted, unless a formal acknowledgment of debt has been signed by the customer and the necessary arrangement for an extension of payment has been approved by the City Treasurer.
- (4) Although a customer might have concluded satisfactory credit arrangements in terms of section 6, the Council is not obliged to effect a reconnection of services on the day that payment is received but shall do so as soon as possible after such arrangements have been approved by the City Treasurer.
- (5) Where a customer's services are disconnected, the customer shall be charged a visitation fee, as determined by the Council from time to time, which shall be paid prior to the services being reconnected.

Agreements and arrangements with customers in arrears

6. (1) The City Treasurer is authorised to enter into agreements with customers in arrears with their accounts and to grant such persons extensions of time for payment.
- (2) Where a customer in arrears is a business concern, a minimum of 50% of the total overdue amount, as an initial payment, shall be paid, and the balance of the account shall be paid in equal instalments over a maximum period of twelve months. Such an arrangement shall automatically include a condition that any future monthly current accounts shall be paid by their respective due dates.
- (3) In respect of domestic consumers, 10% of the total overdue balance or the current account, whichever is the greater, as an initial payment, shall be paid, and the balance of the account in equal instalments over a maximum period equal to the number of months that the outstanding amount has accumulated. Such an arrangement shall automatically include the condition that any future monthly accounts are paid by due date.

- (4) A customer who fails to comply with any credit arrangement shall not be permitted a further arrangement or extension of time for payment and shall have his services terminated, but a customer who brings his credit arrangement up to date by an immediate payment shall have his services reconnected.
- (5) Further, a customer who fails to comply with any credit arrangement shall have his service agreement terminated, services disconnected, and his deposit and interest on any outstanding amounts set off against any arrear debt. Any outstanding balance shall then be handed over for debt collection.
- (6) Only debtors with positive proof of identity or an authorised agent with a Power of Attorney shall be permitted to enter into an Acknowledgment of Debt agreement with the Council.
- (7) Where a debtor is a close corporation or a company, the person who signs an acknowledgment of debt on behalf of such close corporation or company, shall produce written proof that he is authorised to sign such acknowledgment on behalf of the close corporation or the company.
- (8) An Acknowledgment of Debt agreement shall contain all arrangements for paying off arrear accounts. One copy of the agreement shall be handed to the customer and another filed with the City Treasurer.
- (9) In instances where a customer is employed, the Council may obtain a voluntary garnishee order or emoluments attachment order.
- (10) Where any debt has arisen as a result of the Council having applied an incorrect charge, the consumer may arrange to pay the debt over a maximum period equivalent to the period over which the incorrect charge was applied.

Dishonoured cheques

7. (1) The Council shall, at the earliest opportunity, be entitled to disconnect or restrict, as the case may be, the electricity and/or water supply of a customer who has offered a cheque as payment for municipal services if such cheque is for any reason returned or dishonoured by the financial institution on which it is drawn.
- (2) A customer who has offered three dishonoured cheques in any 12 month period shall not be allowed to make further payments by cheque for a period of at least one year, though a bank guaranteed cheque may be accepted by the City Treasurer.

Tampering and/or theft of services

8. (1) In respect of electricity services, if tampering of any nature or theft of such services is identified, the electricity supply to the property shall be discontinued by the removal of the meter and the cable and the water supply shall be restricted.
- (2) If the restricted water supply is tampered with or any variable flow-restricting device is removed, the water supply shall be discontinued, the service connection removed and the customer's services agreement with the Council shall be cancelled. The customer's deposit shall be set off against any amounts owing by him to the Council
- (3) All amounts owing by the customer shall be paid prior to any services being reconnected and a new services agreement being entered into together with the required deposit.

Municipal staff

9. A member of staff of the Council may not be in arrears with the Council for rates and service charges for a period longer than three months, and the Council may deduct any outstanding amounts from the salary of such member of staff after this period, in accordance with item 10 of Schedule 2 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000).

Enforcement of other legislation

10. In addition to the provisions of these bylaws, the Council may enforce any other rights or exercise any power conferred upon it by the Water Services Act, 1997 (Act No. 108 of 1997), Council's Water Supply Bylaws, the Electricity Act, 1987 (Act No. 41 of 1987) and Council's Electricity Supply Bylaws.

Inconsistencies between different by-laws

11. In the event of an inconsistency between the provisions of these and any other by-laws, the provisions of these by-laws shall prevail.