

27 March 2017

**THE CONSTITUTIONAL COURT OF SOUTH AFRICA SET TO BRING FINALITY
ON HISTORICAL MUNICIPAL DEBT ON PROPERTY**

HISTORICAL MUNICIPAL DEBT COURT CASE:



**CONSTITUTIONAL COURT TO HEAR NEW VENTURES CONSULTING & SERVICES VS
CITY OF TSHWANE METROPOLITAN MUNICIPALITY, EKURHULENI METROPOLITAN
MUNICIPALITY & MINISTER OF CO-OPERATIVE GOVERNANCE & TRADITIONAL
AFFAIRS**

Constitutional Court Appeal Cct 283/16, 293/16 & 294/16:

New Ventures Consulting & Services (“NVC”), also known as the Municipal Debt Specialist has been driving the above litigation against the respective Municipalities in order to ensure the correct interpretation and implementation of Section 118 of the Municipal Systems Act (“the Systems Act”).

NVC launched and funded these applications on behalf of our clients (against Ekurhuleni Metropolitan Municipality (“EMM”) and the City of Tshwane Metropolitan Municipality (“TMM”) as these municipalities had interpreted s118 in a manner that allowed them to “visit the sins of a predecessor in title upon innocent third parties”. In effect, they attempted to hold the new owner of a property liable for the previous owner’s municipal debt.

These matters were heard in the North Gauteng High Court (“NGHC”) under the following case numbers and matters:

CASE NO: 74195/2013 CHANTELLE JORDAAN NEW VENTURES CONSULTING & SERVICES (PTY) LTD	CASE NO: 13039/2014 F M KEKANA, M R MALEBOLOA, S R MALEBOLOA, M MAMOTSAU, NEW VENTURES CONSULTING & SERVICES (PTY) LTD	CASE NO: 13040/2014 BILLIE ANN LIVANOS, LEAH HENDERSON, NEW VENTURES CONSULTING & SERVICES (PTY) LTD, CLIFTON DUNES INVESTMENTS 317 (PTY) LTD,
CASE NO: 19552/2015 GEMMA DIAMONDS (PTY) LTD NEW VENTURES CONSULTING & SERVICES (PTY) LTD	CASE NO: 23826/2014 OAK PLANT RENTALS (PTY) LTD, STEPPING THE WORLD (PTY) LTD, NEW VENTURES CONSULTING & SERVICES (PTY) LTD,	CITY OF TSHWANE METROPOLITAN MUNICIPALITY, EKURHULENI METROPOLITAN MUNICIPALITY & MINISTER OF CO-OPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS

[click here to download a copy of the Judgment](#) | [click here to read the article](#)

In November 2016 the NGHC held that the conduct of EMM and TMM was unlawful and declared that it is constitutionally invalid for these municipalities to hold the new owner of a property liable for the previous owners municipal debts on that property (and thereafter to

refuse to supply and or suspend municipal services or to refuse to enter into consumer agreements with the new owner).

In compliance with the Constitution, this matter was referred to the Constitutional Court for confirmation. Thereafter, the respective municipalities filed appeals with the Constitutional Court.

The confirmation application and the appeal applications are set down to be heard in the Constitutional Court of South Africa on 23 May 2017.

Our ground breaking case has been closely followed by various interested parties as it has potentially far-reaching effects upon every municipality, every property owner and every mortgage bond holder in South Africa.

Some of these interested parties have recently decided to attempt to get involved in this matter.

Various applications, including those of another metropolitan municipality and a mortgage bond holder, have been launched to intervene as an interested party and/or as an amicus curiae.

Section 118 of the Municipal Systems Act has been very contentious and controversial since its enactment in 2000, with various court challenges being launched over the past 16 years. Unfortunately, none of these court challenges have dealt directly with the constitutional invalidity of s118(3).

We are confident that this court case will be a landmark and historic one as it should settle the interpretation of s118(3) once and for all.

This legal certainty should provide clear direction to all involved in local government including the Minister of Co-operative Governance & Traditional Affairs, SALGA (South African Local Government Association) and all municipalities.

If there are any parties that would like to receive regular updates and information on this case please do not hesitate to contact us.

We will keep the public advised and updated via:

- Twitter, <https://twitter.com/mrpeterlivanos> | @mrpeterlivanos
- Our website, www.municipaldebt.co.za | Press Releases: www.municipaldebt.co.za/press-releases-2
- Our Facebook Page, <https://www.facebook.com/livanosgroupnvc>

ADVICE:

If any Municipalities try to force innocent parties to pay and/or sign Acknowledgement of Debt, to pay the unlawful amounts under protest. We have no doubt that after the Con Court hands down their Judgment, all Municipalities will be obliged to refund the public.