

Date : 01May 2017



Ekurhuleni
METROPOLITAN MUNICIPALITY



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PHASING OUT OF TENANT ACCOUNTS WITH EFFECT FROM 1 JULY 2017.

Council on 24 November 2016 resolved to Phase out Tenant accounts. Tenant accounts are deemed to be municipal service accounts in the name of individual or entity other than the registered owner of property.

The phasing out process and criteria to be applied will be as follows :

- i. With effect from 1 July 2017, accounts will be registered in name of owners of property only.
- ii. Existing "Residential" tenant accounts as at 01 July 2017, will be phased out over period of **eighteen** months.
 - a. Property owners to be informed in writing of all linked active "tenant" accounts.
 - b. Property owners to arrange for closure of existing tenant accounts and full payment of tenant debt or alternatively, on written application of owner, transfer of tenant debt to consolidated owners account by 31 December 2018. Deposit value as applicable to linked tenant accounts to be raised against owner account.
 - c. All services in respect of property owners not complying with (b) by 31 December 2018, to be disconnected and owners informed in writing of closure of linked tenant accounts. All services to be transferred administratively to consolidated owners account. Reinstatement of services will require owner to enter into new service level agreement and payment of deposit at promulgated rate.
 - d. Formal tenant debt repayment arrangements as at 31 December 2018 will remain in force until redeemed in full.
- iii. Business Tenant accounts, on written request by property owner, be allowed in respect of "Business" related property categories as reflected in published valuation roll.
- iv. In relation to business, account administration fee in addition to linked services may be levied against owners account to recover costs of additional administration. This to be implemented as from 1 January 2019.
- v. Residential Tenant accounts, be allowed in respect of accounts under legal administration, liquidation, sequestration or deceased estates.

The benefits of phasing out tenant accounts for the property owner are:

- Minimizing risk of accumulated services debt in respect of property.
- Owner has full control and management of services rendered to and utilized on property.

WHAT WILL HAPPEN

As from 1 July 2017, new residential accounts will only be opened in the name of registered property owner.

The phasing out of tenant accounts will be done over a period of 18 months with effect from 1 July 2017 and listing of active tenant accounts linked to property is attached.

With existing tenant accounts, the property owners must arrange to close linked tenant accounts within 18 months and ensure that all monies owed by tenants in respect of services accounts are paid or transferred to owners account.

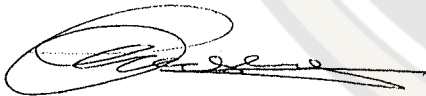
Should the owner not arrange for closure of tenant accounts within stipulated period of 18 months, services to property may be disconnected. Reinstatement of services will result in owner being required to enter into a new service level agreement and increased deposit will be raised.

Residential tenant accounts will only be allowed where the person occupying the property qualifies for indigent support in respect of the Indigent Support Policy and administrators of child-headed households. This also applies in cases where accounts are under legal administration, liquidation, sequestration or deceased estates.

Business Tenant accounts, on written request by property owner, will be allowed in respect of business properties as reflected in the published valuation roll. This includes Government, Provincial or Municipal debtor groups, and registered indigents and child headed households.

Written comments in respect of the above-mentioned process may be submitted to the Divisional Head Revenue at the postal address as stated above on or before **15 June 2017**. In addition, local Customer Care Center will be able to assist with additional information and standardized documentation.

Regards



Otsile Maseng
Divisional Head Revenue.

**MUNICIPAL DEBT
SPECIALIST**