

CONCOURT TO RULE ON HISTORICAL DEBT MATTER

Several municipalities including Tshwane, eThekweni and Ekurhuleni are arguing in the case brought by several property owners.



The Constitutional Court. Picture: Gia Nicolaides/EWN.

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JOHANNESBURG - The Constitutional Court is due to hand down judgment on Tuesday on whether new homeowners should still be liable for historical debt incurred by those before them.

Several municipalities including Tshwane, eThekweni and Ekurhuleni are arguing in the case brought by several property owners.

They're arguing that it is lawful for a municipality to attach and sell a purchaser's property, in order to pay debt owed to them.

The Constitutional Court is reviewing whose responsibility it is to disclose historical municipal debt and whether municipalities have the right of recourse on new buyers.

Last year, the High Court in Pretoria handed down a landmark judgment, ruling that municipalities cannot hold new property owners liable for historical debt.

At the heart of this court battle is the interpretation of Section 118 of the Municipal Systems Act.

The Banking Association of South Africa has also been admitted as a friend of the court to make submissions about how the law in question affects bondholders.

(Edited by Shimoney Regter)

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