

# CAPITAL CONTRIBUTION POLICY

## Introduction

Capital contributions are payable in addition to any service charges, charges for consumption, availability charges and connection fees.

The capital contributions provided for in these tariffs may be imposed by any person or authority when granting any authorization, exemption or application contemplated in Section 42 of the Land Use Planning Ordinance, 1985 (Western Cape Ordinance 15 of 1985) or in terms of section 75A of the Local Government: Municipal Systems Act 32 of 2000: Provided that these tariffs shall not limit or restrict the conditions that may be imposed by such person or authority and such person or authority shall be free to impose such other capital contributions as it may deem necessary or expedient under the circumstances.

All capital contributions are adjusted annually and will be charged and be payable at the revised tariffs which are applicable at the time of transfer of the erf or property concerned or the approval of building plans in respect of such erf or property, whichever takes place first: Provided that should the number of erven, residential units, equivalent erven or other basis on which capital contributions may previously have been based, increase, additional capital contributions shall be payable calculated in accordance with the then existing tariffs when such changes take place or building plans are approved, as the case may be, whichever shall be the earlier.

Should the floor area of an existing building be increased or should approved building plans be changed or should an existing or authorized use of any building be changed or should new buildings be erected, or the electricity supply be increased, as the case may be, the owner shall be liable for payment of capital contributions in respect of such extensions, additions or changes, as the case may be, in accordance with the tariffs applicable from time to time, which capital contributions shall become payable upon approval of the building plans in respect of such extensions or additions or the occurrence of such change, as the case may be.

Should any capital contributions have been paid upon approval of building plans or at any time before transfer of a property and any changes as contemplated in paragraphs (c) and (d) subsequently occur, the provisions of paragraphs (c) and (d) shall apply mutatis mutandis in determining the additional capital contributions payable.

Capital contributions shall be payable by the registered owner of the property concerned at the time when the contribution is due and payable, which shall be upon transfer of the property concerned or approval of building plans, whichever shall be applicable, unless any conditions of approval or services agreement provide otherwise.

The capital contributions provided for in these tariffs shall be payable in terms of section 75A of the Local Government: Municipal Systems Act 32 of 2000 unless the payment of such amount is replaced by a condition imposed in terms of Section 42 of the Land Use Planning Ordinance, 1985 (Western Cape Ordinance 15 of 1985).

The following transitional arrangements shall apply in respect of these tariffs :

- (i) Should any building plans have been submitted for approval in terms of the National Building Regulations and Building Standards Act, 1977 (Act no 103 of 1977) on or before 30th June 2013 and such approval is granted after 30th June 2013, the capital contributions in force on 30th June 2013 shall apply.
- (ii) Should application for a certificate (generally referred to as a rates clearance certificate) as contemplated in Section 118 of the Local Government: Municipal Systems Act, 2000 (Act no 32 of 2000) have been made on or before 30th June 2013 and such certificate is issued after 30th June 2013, the capital contributions in force on 30th June 2013 shall apply in respect of any tariff payable before transfer of the property concerned.
- (iii) Should the approval of any building plans in terms of the National Building Regulations and Building Standards Act, 1977 (Act no 103 of 1977), lapse after 30th June 2013 without being extended, the capital contributions in force at the time of any subsequent approval of building plans for the property concerned shall apply.

Capital contributions may be refunded, less an administration cost of 10% of the total amount to be refunded, and without interest, if an applicant who has already paid a capital contribution in writing notifies Prince Albert Municipality that he chooses not to exercise the specific land-use approval or building plan approval in respect of which the capital contribution has been paid, whereupon such land use approval or building plan approval will also be cancelled.

No person may pay any capital contribution in advance so as to deliberately avoid becoming liable for any increases in the tariffs, for purposes of which payment more than 1 (one) month before the due date for payment as referred to in paragraphs (d) and (e) shall be deemed to constitute an unauthorized payment in advance)

## **ALL AREAS WHERE NO MUNICIPAL SERVICES ARE AVAILABLE**

|              |   |
|--------------|---|
| Electricity  | : No capital contributions payable until municipal services become available. |
| Water:       | : No capital contributions payable until municipal services become available. |
| Solid waste: | : No capital contributions payable until municipal services become available. |
| Sewerage:    | : No capital contributions payable until municipal services become available. |
| Roads        | : No capital contributions payable until municipal services become available. |
| Stormwater   | : No capital contributions payable until municipal services become available. |

## **SUBDIVISIONS : ALL**

### **Prince Albert**

|             |                               |
|-------------|-------------------------------|
| Electricity | : R 4663.61 + VAT             |
| Water       | : R 12 059 + VAT              |
| Solid waste | : R 3 929 + VAT               |
| Sewerage    | : R 734 + VAT                 |
| Roads       | : Applicable standard formula |
| Stormwater  | : Applicable standard formula |

### **Leeu Gamka**

|       |                   |
|-------|-------------------|
| Water | : R 6460.18 + VAT |
|-------|-------------------|

Sewerage : R 6462.73 + VAT  
Solid waste : R 734 + VAT  
Roads : Applicable standard formula  
Stormwater : Applicable standard formula

#### **Klaarstroom**

Water : R 13006.33 + VAT  
Sewerage : R 477.28 + VAT  
Solid waste : R 734 + VAT  
Roads : Applicable standard formula  
Stormwater : Applicable standard formula

### **SECOND DWELLING UNITS / DUET DWELLINGS**

#### **Prince Albert**

Electricity : R 4663.61 + VAT  
Water : R 12 059 + VAT  
Solid waste : R 3 929 + VAT  
Sewerage : R 734 + VAT  
Roads : Applicable standard formula  
Stormwater : Applicable standard formula

#### **Leeu Gamka**

Water : R 6460.18 + VAT  
Sewerage : R 6462.73 + VAT  
Solid waste : R 734 + VAT  
Roads : Applicable standard formula  
Stormwater : Applicable standard formula

#### **Klaarstroom**

Water : R 13006.33 + VAT  
Sewerage : R 477.28 + VAT  
Solid waste : R 734 + VAT  
Roads : Applicable standard formula  
Stormwater : Applicable standard formula

### **EXEMPTION WITH REGARD TO CAPITAL CONTRIBUTIONS: SERVICED ERVEN AND DWELLING UNITS**

**Exemption from capital contributions payable FOR SUBDIVIDED, serviced erven**

|   |                           |
|---|---------------------------|
| Price/Value of erf up to R100 000,00          | : 10% of approved tariff  |
| Price/Value of erf R100 001,00 to R150 000,00 | : 25% of approved tariff  |
| Price/Value of erf R150 001,00 to R250 000,00 | : 50% of approved tariff  |
| Price/Value of erf R250 001,00 to R350 000,00 | : 75% of approved tariff  |
| Price/Value more than R350 001,00             | : 100% of approved tariff |

#### **Exemption from capital contributions payable for TOP STRUCTURES on serviced erven for affordable housing:**

|   |                           |
|---|---------------------------|
| Price/Value of erf up to R100 000,00          | : 10% of approved tariff  |
| Price/Value of erf R100 001,00 to R150 000,00 | : 25% of approved tariff  |
| Price/Value of erf R150 001,00 to R250 000,00 | : 50% of approved tariff  |
| Price/Value of erf R250 001,00 to R350 000,00 | : 75% of approved tariff  |
| Price/Value more than R350 001,00             | : 100% of approved tariff |

#### **Requirements for capital contribution exemptions**

An application for exemption for any of the above be accompanied by a signed affidavit that states that the purchase price, or market value, reflected is the full purchase amount, or market value, and that, in the instance of a purchase price being given, that no additional amount is payable by the purchaser to the seller at any stage that can in any way be interpreted to be part of the purchase price of the erf or dwelling unit.

The Prince Albert Municipality may request information or proof or motivation from a developer/seller/buyer as to how the selling price or market value was determined. The Prince Albert Municipality may request a formal valuation from a recognized property valuer, at the cost of the applicant.

The Prince Albert Municipality may request that the full capital contributions be paid on submission of building plans or application for exemption and that a refund will be given by the Prince Albert Municipality to the applicant when application for transfer or a verified copy of the sales agreement can be provided as proof of price/value.

#### **REZONING TO GENERAL RESIDENTIAL (GROUP HOUSING, SECTIONAL TITLE, RETIREMENT VILLAGE, FLATS) AND RESORTS (HOLIDAY ACCOMMODATION)**

This is payable in terms of section 75A of the Local Government: Municipal Systems Act 32 of 2000 unless specifically levied in terms of section 42 of Ordinance 15 of 1985)

#### **Prince Albert**

|             |                               |
|-------------|-------------------------------|
| Electricity | : R 4663.61 + VAT             |
| Water       | : R 12 059 + VAT              |
| Solid waste | : R 3 929 + VAT               |
| Sewerage    | : R 734 + VAT                 |
| Roads       | : Applicable standard formula |

Stormwater : Applicable standard formula

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Roads : Applicable standard formula  
Stormwater : Applicable standard formula

## **BED-AND-BREAKFAST CONCERNS AND GUEST HOUSES**

3 Bedrooms or less : No capital contribution payable.  
For every bedroom more than 3 : 25% of listed capital contribution per bedroom as indicated above

## **CARAVAN PARKS AND HOTELS/MOTELS/RESTAURANTS**

Capital contribution for each individual project: To be determined by the manager Technical Services, in accordance with standard formulas and approved by Municipal manager.

## **ALL OTHER DEVELOPMENTS OTHER THAN LISTED ABOVE**

Capital contribution for each individual project: To be determined by the manager Technical Services, in accordance with standard formulas and approved by Municipal manager.