

CLEANING UP THE HEART OF THE CITY

POST AUGUST 02, 2000 by Logan Govender

People who own sectional title homes, who pay their levies diligently, will from now on be spared the axe when the homes of levy defaulters are auctioned by the North and South Central Local Councils in January 2001 to recover outstanding rates.

The Metro Council is tightening the noose on errant ratepayers and last week placed advertisements in various Durban newspapers informing home owners within the boundary of the North and South Central Councils that the rates for the current financial year had to be paid by the end of January next year to prevent their properties from being auctioned.

Rates defaulters of the previous financial year are in trouble - the owners of 2 342 business and residential properties, who owe more than 28 million in rates - will have their properties auctioned by the middle of next month if they fail to settle their debts.

The council has obtained in order from the High Court, Durban, to proceed with the auction of the properties.

In the past, owners of sectional title units, who had been up to date with their levy payments, lost out badly because Durban Metro had auctioned entire blocks of flats and not individual units, because of the non-payment of rates by the defaulters.

However, those who pay their levies diligently will from now on be spared the axe following a test case in the High Court, Durban, recently where Durban Metro obtained an order against the Park North body corporate situated in Albert Park to settle the outstanding rates.

Should the Park North body corporate continue to default, a further application will be made where the council will be joined by the body corporate to recover the outstanding rates from individual defaulters.

"This is the first time individual owners in a sectional title scheme will be held directly responsible for rates," said Metro councillor Mr. Sayed-Iqbal Mohamed who is also the chairman of the Organisation of Civic Rights, which spearheaded the campaign to protect diligent levy payers.

Mr. Mohamed told Post that the test case was good news for owners who paid their levies, which included a pro rata share of the rates.

"Before this test case came before the court, council previously had no option but to auction entire buildings to recoup the outstanding rates. This has now changed. With the new Property Rates Bill becoming law next year all local authorities will be able to collect rates directly from individual owners."

"In other words, the ball is now in the court of owners of sectional title units to ensure that the levy payments are up to date. The council will act against defaulters to recover unpaid rates," he said.

Mr. Mohamed added that the outcome of the test case meant that body corporates of sectional title units would have to flex their muscle to ensure that levies required for maintenance costs and other services were collected.

"The onus to collect the levies has not shifted. This is the duty of the body corporates or managing agents if the body corporates have collapsed. The council has indicated that it will act against rates defaulters when the grace period has elapsed and with rates forming a large slice of levy payments, it will be in the interests of owners of sectional title units not to default on their levies," he said.

City treasurer Mr. Krish Kumar confirmed that the council's stance on the non-payment of rates had not changed.

"Regarding defaulting owners of sectional title units, the council will act against the rates defaulters."