
GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF CO-OPERATIVE GOVERNANCE

NOTICE 2672 OF 2024

EXTENSION OF DUE DATE FOR WRITTEN COMMENTS:

LOCAL GOVERNMENT: MUNICIPAL STRUCTURES AMENDMENT BILL

AND

LOCAL GOVERNMENT: GENERAL LAWS AMENDMENT BILL

The Minister of Cooperative Governance and Traditional Affairs published invitations to submit written comments on the Local Government: Municipal Structures Amendment Bill, 2024, in the **Government Gazette No. 50682** of 2024, and the Local Government: General Laws Amendment Bill, 2024, in the **Government Gazette No. 50650** of 2024 ("the Bills").

An extension was granted to the members of the public to submit written comments as per the **Government Gazette No. 50871 of 2024**, with the closing date of **31 July 2024**.

Due to the various requests by stakeholders and members of the public to further extend the date to allow sufficient time to provide comments, a Notice is hereby given granting an extension of the due date from **31 July 2024 to 31 August 2024**.

As was indicated in the previous invitations, comments must be submitted to the following address:

By post to:

Director-General
For the attention: Mr Nhlamulo Mathye
Department of Cooperative Governance
Private Bag X804
PRETORIA
0001

By e-mail to:

1. Local Government: Municipal Structures Amendment Bill, 2024 at Comments.coalitionbill@cogta.gov.za; and
2. Local Government: General Laws Amendment Bill, 2024 at Comments.GLAB@cogta.gov.za.

Copies of the Bills can be found on the website of the Department of Cooperative Governance at: www.cogta.gov.za and the Government Printers.

Comments received after the closing date will not be considered.

GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF CO-OPERATIVE GOVERNANCE

NOTICE 2506 OF 2024

LOCAL GOVERNMENT: MUNICIPAL STRUCTURES AMENDMENT BILL

The Minister of Cooperative Governance and Traditional Affairs intends introducing the Local Government: Municipal Structures Amendment Bill, 2024 in the National Assembly.

The Bill and the explanatory summary of the Bill is hereby published in accordance with Rule 276(1)(c) of the Rules of the National Assembly, for public comments.

Members of the public are invited to submit written comments on or before 5 July 2024, to the following address:

By post to:

Director-General
For the attention: Mr Nhlamulo Mathye
Department of Cooperative Governance
Private Bag X804
PRETORIA
0001

By e-mail to:

Comments.coalitionbill@cogta.gov.za

A copy of the Bill can be found on the website of the Department of Cooperative Governance at: www.cogta.gov.za and may also be obtained from the Government Printers.

Comments received after the closing date will not be considered.

REPUBLIC OF SOUTH AFRICA

LOCAL GOVERNMENT: MUNICIPAL STRUCTURES AMENDMENT BILL

*(As introduced in the National Assembly (proposed section 76); explanatory
summary of Bill and prior notice of its introduction published in Government
Gazette No. 50682 of 21 May 2024) (The English text is the official text of the Bill)*

(MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

[B – 2024]

GENERAL EXPLANATORY NOTE:

[] **Words in bold type in square brackets indicate omissions from existing enactments.**

_____ **Words underlined with a solid line indicates insertions in existing enactments.**

To amend the Local Government: Municipal Structures Act, 1998 so as to insert the definition for coalition agreement; to change municipalities with a mayoral executive system, in which no party obtained a majority of seats, to a collective executive system within a prescribed period; to provide for the election or removal from office of municipal office-bearers to be by a show of hands; to provide for the grounds for removal of municipal office-bearers from office; to provide for binding coalition agreements; to provide a minimum threshold of one percent of the valid votes cast during an election for a party to qualify for a seat on the council and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows—

Amendment of section 1 of Act 117 of 1998 as amended by section 93 of Act No.27 of 2000; section 3 of Act No.19 of 2008 and section 1 of Act No.3 of 2021

1. Section 1 of the principal Act is hereby amended by the insertion before the definition of “Code of Conduct” of the following definition:

“coalition agreement” means a written agreement negotiated between parties that form a coalition government in a municipality in which no political party has a majority of seats on the council;”.

Insertion of section 12A in Act 117 of 1998

2. The following section is hereby inserted in the principal Act after section 12:

“Municipalities that must have a collective executive system

12A. A municipality with a mayoral executive system, in which no political party obtains a majority of seats when the municipal council is declared elected or after a by-election contemplated in section 25, must, in accordance with section 16, be changed to a type of municipality with a collective executive system by the MEC for local government within 30 days after the municipal council was declared elected or after a by-election contemplated in section 25.”.

Amendment of section 40 of Act 117 of 1998

3. The following section is hereby substituted for section 40 of the principal Act:

“40. (a) A municipal council, by resolution taken by show of hands, may remove its speaker from office: Provided that two years have passed since the speaker was elected.

(b) Notwithstanding the provisions of paragraph (a), the municipal council may remove the speaker from office at any time if such removal is on the grounds of—

- (i) a serious violation of the Constitution or the law;
- (ii) serious misconduct; or
- (iii) inability to perform the functions of office.

(c) Prior notice of an intention to move a motion for the removal of the speaker must be given.”.

Amendment of section 41E of Act 117 of 1998 as inserted by section 19 of Act No.3 of 2021

4. Section 41E of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection:

“(1) (a) A municipal council may remove, by resolution taken by show of hands, the whip from office: Provided that two years have passed since the whip was elected.

(b) Notwithstanding the provisions of paragraph (a), the municipal council may remove the whip from office at any time if such removal is on the grounds of—

- (i) a serious violation of the Constitution or the law;
- (ii) serious misconduct; or
- (iii) inability to perform the functions of office.”.

Amendment of section 43 of Act 117 of 1998

5. Section 43 of the principal Act is hereby amended by the addition of the following subsection:

“(4) (a) In a municipality in which no party has a majority of seats on the council, any two or more political parties may enter into a binding coalition agreement, which must be made public, to regulate their participation in the governance of the municipality during the term of the council.

(b) The Minister may make regulations regarding for the details of the agreement contemplated in paragraph (a)."

Amendment of section 53 of Act 117 of 1998

6. Section 53 of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) (a) A municipal council may, by resolution taken by show of hands, remove from office one or more or all the members of its executive committee; Provided that two years have passed since the executive committee was elected or since the member or members affected by such a resolution were elected.

(b) Notwithstanding the provisions of paragraph (a), the municipal council may at any time remove from office one or more or all the members of its executive committee if such removal is on the grounds of—

- (i) a serious violation of the Constitution or the law;
- (ii) serious misconduct; or
- (iii) inability to perform the functions of office.

(c) Prior notice of an intention to move a motion for the removal of member or members must be given."

Amendment of section 58 of Act 117 of 1998

7. Section 58 of the principal Act is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) (a) A municipal council, by resolution taken by show of hands, may remove its executive mayor or deputy executive mayor from office; Provided that two years have passed since the executive mayor or deputy executive mayor was elected.

(b) Notwithstanding the provisions of paragraph (a), the municipal council may remove its executive mayor or deputy executive mayor from office at any time if such removal is on the grounds of—

- (i) a serious violation of the Constitution or the law;

(ii) serious misconduct; or

(iii) inability to perform the functions of office.

(c) Prior notice of an intention to move a motion for the removal of the executive mayor or deputy executive mayor must be given.”.

Amendment of Schedule 1 to Act 117 of 1998

8. Item 13 of Schedule 1 to the principal Act is hereby amended by the substitution for paragraph (a) of subitem (1) of the following paragraph:

“(a) The total number of valid votes cast for each party on the party vote and for the ward candidates representing the party must be divided by the quota of votes for a seat. The result is the total number of seats to which each party is entitled before any adjustment in terms of subitem (3): Provided that a party must obtain a minimum of one percent of the valid votes cast in order to qualify for a seat on the council and if the one percent threshold is not met the party concerned must be eliminated from all further calculations for the allocation of seats on the council.”.

Amendment of Schedule 3 to Act 117 of 1998

9. Item 6 of Schedule 3 to the principal Act is hereby amended by the substitution for paragraph (a) of the following paragraph:

“(a) a vote must be taken at the meeting by [**secret ballot**] show of hands.”.

Short title and commencement

10. This Act is called the Local Government: Municipal Structures Amendment Act, 2024, and comes into operation on a date to be determined by the President by proclamation in the *Gazette*.

MEMORANDUM ON THE OBJECTS OF THE LOCAL GOVERNMENT: MUNICIPAL STRUCTURES AMENDMENT BILL, 2024

1. BACKGROUND

- 1.1. The conclusion of the 2016 local government elections (LGEs) entrenched coalition politics within municipalities. At the conclusion of the 2021 LGEs, the number of hung councils increased significantly, bringing with it unprecedented governance and service delivery related challenges within municipalities. Statistics at our disposal indicate that the amount of hung council increased from 24 in the year 2000 to 81 after the conclusion of the 2021 LGE.
- 1.2. The emergence of coalitions governance came mostly as a result of maturing democracy in South Africa, new political dispensations, and coalition arrangements which are systematically changing, resulting in political instability, many governance and service delivery related challenges within municipalities.
- 1.3. Despite being a relative common occurrence in South Africa, coalition governments have not become institutionalised i.e. there are no rules or guidelines for coalition governments. The high number of hung councils has highlighted the need to strengthen the guidance on the formation and management of coalition councils.
- 1.4. There has been also a huge outcry for a framework or guidelines or legislation that will guide the formation and management of coalition governments within the local government sphere. These challenges together with the imminent challenges brought about coalitions government in municipalities, calls for a legislation or framework to guide and strengthen the functioning of coalition within municipalities.

- 1.5. The amendments to the Local Government: Municipal Structures Act, 1998, as amended, is seen as a vehicle or mechanism within which the coalitions governments can be institutionalised to address challenges in hung councils.
- 1.6. The Local Government: Municipal Structures Amendment Bill, 2023 (the "Bill") seeks to provide a legislative framework that will guide the formation the management of coalition governments, as well as providing systems to minimise the challenges of coalitions within the Local Government sphere.
- 1.7. In summation, the Bill seeks to –
 - (a) insert the definition of coalition agreement;
 - (b) change municipalities with a mayoral executive system, in which no party obtained a majority of seats, to a collective executive system within a prescribed period;
 - (c) provide for the election or removal from office of municipal office-bearers to be by a show of hands;
 - (d) provide for the grounds for removal of municipal office-bearers from office;
 - (e) to provide for binding coalition agreements; and
 - (f) provide a minimum threshold of one percent of the valid votes cast during an election for a party to qualify for a seat on the council.

2. OBJECTS OF BILL

- 2.1. The Bill has 10 clauses, amending specific provisions in the Local Government: Municipal Structures Act, 1998, as amended (hereinunder referred to as "the Principal Act").
- 2.2. Clause 1 to insert in section 1 of the Principal Act a definition of "coalition agreement" to mean a written agreement that is negotiated between parties that form a coalition government in a municipality in which no political party has a majority of seats on the council.

- 2.3. Clause 2 amends section 12 of the Principal Act dealing with the establishment of a municipality, including the type of municipality that the MEC for Local Government may establish, by an insertion of provision that a municipality with a mayoral executive system in which no political party obtains a majority of seats when the municipal council is declared elected or after a by-election contemplated in section 25 must, in accordance with section 16, be changed to a type of municipality with a collective executive system. The reason for the changes, is that in the mayoral executive committee system, the Executive mayors are elected (and removed) by majority of councillors in the municipal councils, and they also select and appoint their mayoral committee members. The reality is that when the executive mayor vacates office, the entire mayoral committee vacates office too. Whereas, in the executive committee system, the political composition of the executive committee is largely fixed by law comprising of different councillors proportionally elected in the positions, and thus not subject to majority rule. Coalition negotiations can then focus on the position of the mayor, the chief whip and committee chairs. Importantly, when the coalition collapses, and the mayor is removed from office, the rest of the executive committee stays on. It thus makes for a more stable governance system for hung councils and ensures continuity in the council. This amendment will promote stability from a governance perspective in that the executive authority will be collectively vested in the executive committee, which will be representative of the political parties in the council and accountable to the municipal council. This will also bring about greater transparency and accountability.
- 2.4. Clause 3 amends section 40 of the principal Act dealing with the removal of the speaker from office by resolution by the municipal council. The amendment to require that the removal of the speaker must be executed by a resolution taken by show of hands. Experience has shown that votes are being bought by certain political parties by soliciting bribes and influencing voting in exchange of favours or returns for elections in other positions as a municipal office bearer. This practice mostly results in instability associated with the exchange of favours if the agreed terms are not met by either party resulting in disruptions of meetings

and motions being instituted by the aggrieved party. The proposed amendment will result in a situation whereby these common occurrence, practices and corrupt activities done to influence voting in council meetings in exchange of favours be averted.

The clause also provides for the removal of the speaker only after two years have passed since they were elected or on prescribed grounds. Motions of no confidence had become popular in municipalities, thereby having a significant impact on stability within coalitions, given rise by frequent changing of speakers in council. The intention is to introduce a so called "cooling off period" wherein no motions of no confidence may be brought unless based on allowable grounds and are justified. This will enable stability and eliminate frivolous motions of no confidence from being raised and thus guarantees continuity and avert disruptions occurring as a result of frequent calls for motions of no confidence.

- 2.5. Clause 4 amends section 41E of the principal Act dealing with the election of the council whip, to require that the removal of the whip must be executed by a resolution taken by show of hands. This is done to avert the same practices / situations / conditions / circumstances outlined in clause 2 above.
- 2.6. Clause 5 amends section 43 of the principal Act, providing for composition of executive committees, to provide for binding coalition agreements between political parties in municipalities in which no party has a majority of seats on the council. Making the conclusion of a coalition agreement compulsory will introduce a contractual connotation to the relationship between the different political parties which will be legally enforceable and will constitute a prerequisite for coalition government to govern a municipality. This, coupled with Regulations, will bring about predictability in the process. The binding agreements will also enable the constituencies to hold the executive and the political parties concerned for failure to deliver on certain agreed terms resulting in improvement to service delivery.

- 2.7. Clause 6 amends section 53 of the principal Act to require that the removal of one or more or all the members of the executive committee must be executed by a resolution taken by show of hands. This is done to avert the same practices / situations / conditions / circumstances outlined in clause 2 above.
- 2.8. Clause 7 amends section 58 of the principal Act to require that the removal of the executive mayor or deputy executive mayor must be executed by a resolution taken by show of hands. This is done to avert the same practices / situations / conditions / circumstances outlined in clause 2 above.
- 2.9. Clause 8 amends Item 13 of schedule 1 of the principal Act, electoral system for metro and local councils, to introduce a **1% threshold** of valid votes cast for a political party, to qualify for a seat on the municipal council. Experience had shown that the formular as it stands favours smaller parties to be represented in the municipal councils and those smaller parties tended to dictate terms to meet their interests at all costs. In order to increase political stability and reduce having too many small parties in the political system, the amendment introduces threshold by providing that a party must obtain a minimum of one percent of the valid votes cast in order to qualify for a seat on the council and if the one percent threshold is not met, the party concerned must be eliminated from all further calculations for the allocation of seats on the council. This will limit the number of parties allocated seats in council and thus enabling fewer parties to form stable coalitions.
- 2.10. Clause 9 amends Item 6 of Schedule 3 to the principal Act, dealing with the election procedure, by providing that the election of municipal office-bearers to be done by show of hands rather than by secret ballot. This is done to avert a situation whereby corrupt activities influence voting in council meetings.
- 2.11. Clause 10 provides for the short title of the Act to be called the "*Local Government: Municipal Structures Amendment Act, 2024*".

3. PARTIES CONSULTED

The following stakeholders were consulted on the proposed legislative amendments:

- (a) Provincial Departments responsible for local government (CoGTA /CoGHSTA /DLG);
- (b) National Treasury; and
- (c) South African Local Government Association.

4. FINANCIAL IMPLICATIONS FOR THE STATE

No financial implications are foreseen in the implementation of the Bill.

5. PARLIAMENTARY PROCEDURE

5.1. The Constitution of the Republic of South Africa, 1996, ("the Constitution") distinguishes between four categories of Bills as follows:

- Bills amending the Constitution (section 74);
- Ordinary Bills not affecting provinces (section 75);
- Ordinary Bills affecting provinces (section 76); and
- Money Bills (section 77).

A Bill must be correctly classified or tagged; otherwise, it would be constitutionally invalid.

5.2. The Bill has been considered against the provisions of the Constitution relating to the tagging of Bills, and against the functional areas listed in Schedule 4 to the Constitution.

5.3. The Constitutional Court stated in the case of *Tongoane and Others v Minister of Agriculture and Land Affairs and Others* 2010 (8) BCLR 741 (CC), that the

test for the tagging of Bills essentially entails that "any Bill whose provisions in substantial measure" affects the provinces must be classified to follow the section 76 procedure.

5.4. In the light of the above, we are of the view that the Bill should be dealt with in accordance with the procedure set out in section 76 of the Constitution, as it affects the provinces.

5.5. The tagging of the Bill would be subject to confirmation by the Office of the State Law Advisor.

6. REFERRAL TO NATIONAL HOUSE OF TRADITIONAL LEADERS.

6.1. Section 39 of the Traditional and Khoi-San Leadership Act, 2019, which commenced on 1 April 2021, requires that any Bill which directly affects traditional or Khoi-San communities or pertaining to customary law or customs of traditional or Khoi-San communities; or pertaining to any matter referred to in section 154(2) of the Constitution must, before it is passed by the house of Parliament where it was introduced, be referred by the Secretary to Parliament to the National House for its comments.

6.2. The Office of the State Law Advisor and the Parliamentary Legal Office will advise and provide guidance regarding the referral of the Bill to the National House of Traditional Leaders.

GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF CO-OPERATIVE GOVERNANCE

NOTICE 2494 OF 2024

LOCAL GOVERNMENT: GENERAL LAWS AMENDMENT BILL, 2024

The Minister of Cooperative Governance and Traditional Affairs intends introducing the Local Government: General Laws Amendment Bill, 2024 in the National Assembly.

The Bill and the explanatory summary of the Bill is hereby published in accordance with Rule 276(1)(c) of the Rules of the National Assembly, for public comments.

Members of the public are invited to submit written comments before or by no later than 28 June 2024, to the following address:

By post to:

Director-General
For the attention: Mr Nhlamulo Mathye
Department of Cooperative Governance
Private Bag X804
PRETORIA
0001

By e-mail to:

Comments.GLAB@cogta.gov.za

A copy of the Bill can be found on the website of the Department of Cooperative Governance at: www.cogta.gov.za and may also be obtained from the Government Printers.

Comments received after the closing date will not be considered.

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REPUBLIC OF SOUTH AFRICA

LOCAL GOVERNMENT: GENERAL LAWS AMENDMENT BILL, 2024

*(As introduced in the National Assembly (proposed section 76); explanatory
summary of Bill published in Government Gazette No. ----of----) (The English text is
the official text of the Bill)*

(MINISTER OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

[B – 2024]

GENERAL EXPLANATORY NOTE:

[] Words in bold type in square brackets indicate omissions from existing enactments.
_____ Words underlined with a solid line indicate insertions in existing enactments.

To amend—

- **the Local Government: Municipal Systems Act, 2000, so as to include "whip" in the definition of "political office bearer"; to allow for the electronic communication of information concerning community participation; to include growth and climate change scenarios as a core component of the integrated development plan; to provide for the responsibility of national and provincial organs of state to provide inputs into a municipality's integrated development plan; to provide that the additional needs of women and youth are considered in the consultation and development of the integrated development plan; to provide that the MEC for local government must facilitate the coordination and alignment of integrated development plans across spheres of government; to insert provisions for municipalities to display on their official websites the municipal code and the roles and areas of responsibility of each political structure, political office bearer and the municipal manager; to increase the period for acting as municipal manager; to increase the period within which the MEC for local government must enforce compliance with the provisions for appointment of municipal managers and allow for a municipal council to reconsider the appointment; to increase the period within which the MEC for local government must enforce compliance with the provisions for the appointment of managers**

reporting directly to municipal managers and allow for a municipal council to reconsider the appointment; to add further requirements concerning the maintenance of records of dismissed staff; to add the Minister of Finance among parties to be consulted before organised local government embarks on negotiations in the bargaining council; to allow for service of documents to be made electronically; to determine on whom legal documents must be served in a municipality; to amend Schedule 2 to require staff members to refrain from committing financial misconduct and to ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented;

- the Local Government: Municipal Structures Act, 1998, so as to redetermine the date from which to begin the calculation of the period within which a by-election to fill a vacancy in a ward must be held; to provide for the speaker to provide reasons for refusing to call a meeting of the municipal council as requested; to provide for the councillors dissatisfied by the refusal of the speaker or acting speaker to call a meeting of the municipal council, or by the reason or reasons given by the speaker or acting speaker for refusing to call a meeting of the municipal council, to request the MEC for local government in the province to designate a person to call and chair the meeting; to prohibit councillors holding the position of speaker, whip or chairperson of a committee reporting directly to the municipal council from being members of an executive committee or participating in its activities; to prohibit members of executive committees from holding the position of speaker, acting speaker or whip; to provide that if the executive mayor vacates office, the mayoral committee appointed by that executive mayor

dissolves and must vacate office; to require metropolitan or local councils to establish ward committees within 120 days after the election of the speaker of the municipal council; to provide the timeframe within which the Municipal Public Accounts Committee must be established; to provide for the participation of traditional or KhoiSan leaders in ward committees; to redetermine and re-adjust the division of functions and powers between district and local municipalities; to redetermine the formula regarding the quota of votes required for a seat in the district council; to provide for an appeals process if the MEC for local government suspends or removes a councillor;

- the Local Government: Municipal Property Rates Act, 2004, so as to allow service of notices of valuation rolls by electronic mail or any appropriate electronic communication; and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

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CHAPTER 1

AMENDMENT OF LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000

Amendment of section 1 of Act 32 of 2000, as amended by section 51 of Act 35 of 2002, section 1 of Act 44 of 2003, section 11 of Act 19 of 2008, section 1 of Act 7 of 2011 and section 1 of Act 3 of 2022

1. Section 1 of the Local Government: Municipal Systems Act, 2000, is hereby amended by the substitution for the definition of "political office bearer" of the following definition:

" **'political office bearer'** means the speaker, whip, executive mayor, deputy executive mayor or a member of the executive committee as referred to in the Municipal Structures Act;"

Amendment of section 15 of Act 32 of 2000

2. Section 15 of the Local Government: Municipal Systems Act, 2000, is hereby amended by the substitution for subsection (2) of the following subsection:

- "(2) This compilation, to be known as the municipal code, must be—
- (a) constantly updated and annotated; **[and]**
 - (b) kept at the municipality's head office as the municipality's official record of all applicable by-laws[.]; and
 - (c) displayed on the municipality's official website as envisaged in section 21B."

Amendment of section 17 of Act 32 of 2000

3. Section 17 of the Local Government: Municipal Systems Act, 2000, is hereby amended by the substitution in subsection (1) for paragraph (c) of the following paragraph:

"(c) other appropriate mechanisms, processes and procedures established by the municipality, including the use of electronic communication systems;"

Amendment of section 26 of Act 32 of 2000

4. Section 26 of the Local Government: Municipal Systems Act, 2000, is hereby amended—

(a) by the substitution for paragraph (a) of the following paragraph:

"(a) the municipal council's vision and growth scenarios for the long term development of the municipality with special emphasis on the municipality's most critical development **[and]**, infrastructure, internal transformation and climate change needs;"

(b) by the insertion after paragraph (b) of the following paragraph:

"(bA) a framework for long-term infrastructure and economic development, and the impact of future climate-change scenarios, which must include potential funding proposals;" and

(c) by the substitution for paragraph (e) of the following paragraph:

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"(e) a spatial development [**framework**] plan, which must include the provision of basic guidelines for a land use management system for the municipality;"

(d) by the insertion after section 26 of the following section:

"Responsibility of national and provincial organs of state to provide input into municipality's integrated development plan"

26A. All national and provincial organs of state that conduct their affairs within the jurisdictional area of a municipality must provide inputs to the municipality during the drafting of the integrated development plan."

Amendment of section 29 of Act 32 of 2000

5. Section 29 of the Local Government: Municipal Systems Act, 2000, is hereby amended by the substitution in subsection (1) for paragraph (b) of the following paragraph:

"(b) through appropriate mechanisms, processes and procedures established in terms of Chapter 4, allow for—

- (i) the local community, with specific regard to the additional needs of women and youth, to be consulted on its developmental needs and priorities;
- (ii) the local community, with specific regard to the additional needs of women and youth, to participate in the drafting of the integrated development plan; and

- (iii) organs of state, including traditional authorities, and other relevant role players **[to be identified and consulted on]** within the municipality, to participate in the drafting of the integrated development plan;".

Amendment of section 31 of Act 32 of 2000

6. Section 31 of the Local Government: Municipal Systems Act, 2000 is hereby amended by the substitution for paragraph (b) of the following paragraph:

- "(b) facilitate the co-ordination and alignment of—
- (i) integrated development plans of different municipalities, including those of a district municipality and the local municipalities within its area;
 - (ii) inputs from national and provincial organs of state in relation to the integrated development plan of a municipality; and
 - (iii) the integrated development plan of a municipality with the plans, strategies and programmes of national and provincial organs of state;".

Amendment of section 53 of Act 32 of 2000

7. Section 53 of the Local Government: Municipal Systems Act, 2000, is hereby amended by the addition after subsection (6) of the following subsection:

- "(7) The respective legislative roles and areas of responsibility of each political structure, political office bearer and municipal manager must

be displayed on the municipality's official website as envisaged in section 21B."

Amendment of section 54A of Act 32 of 2000, as inserted by section 2, and amended by section 4, of Act 7 of 2011

8. Section 54A of the Local Government: Municipal Systems Act, 2000, is hereby amended—

(a) by the substitution for subsection (2) of the following subsection:

"(2) A person appointed as municipal manager or acting municipal manager in terms of subsection (1) must at least have the skills, expertise, competencies and relevant qualifications as prescribed.";

(b) by the substitution for subsection (2A) of the following subsection:

"(2A) (a) A person appointed in terms of subsection (1)(b) may not be appointed to act for a period that exceeds **[three]** six months.

(b) A municipal council may, in special circumstances and on good cause shown, apply in writing to the MEC for local government to extend the period of appointment contemplated in paragraph (a), for a further period that does not exceed **[three]** six months.";

(c) by the substitution for subsection (8) of the following subsection:

"(8) If a person is appointed as municipal manager in contravention of this section, the MEC for local government must, within

[14] 30 days of receiving the information provided for in subsection (7), take appropriate steps to enforce compliance by the municipal council with this section, by—

(a) referring the appointment back to the municipal council for reconsideration of the appointment, which consideration must be done within 30 days of receiving the communication from the MEC for local government; and

(b) taking any other necessary steps, after the reconsideration by the municipal council contemplated in paragraph (a), which may include an application to a court for a declaratory order on the validity of the appointment, or any other legal action against the municipal council."; and

(d) by the substitution for subsection (9) of the following subsection:

"(9) Where an MEC for local government fails to take appropriate steps referred to in subsection (8), the Minister **[may]** must take the steps contemplated in that subsection."

Amendment of section 56 of Act 32 of 2000, as substituted by section 3, and amended by section 4, of Act 7 of 2011

9. Section 56 of the Local Government: Municipal Systems Act, 2000, is hereby amended—

(a) by the substitution in subsection (1) for paragraph (b) of the following paragraph:

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"(b) A person appointed in terms of paragraph (a)(i) or (ii) must at least have the skills, expertise, competencies and relevant qualifications as prescribed."; and

(b) by the substitution for subsection (5) of the following subsection:

(5) If a person is appointed to a post referred to in subsection (1)(a) in contravention of this Act, the MEC for local government must, within **[14]** 30 days of becoming aware of such appointment, take appropriate steps to enforce compliance by the municipal council with this Act, by—

(a) referring the appointment back to the municipal council for reconsideration of the appointment, which consideration must be done within 30 days of receiving the communication from the MEC for local government; and

(b) taking any other necessary steps, after the reconsideration by the municipal council contemplated in paragraph (a), which [steps] may include an application to a court for a declaratory order on the validity of the appointment or any other legal action against the municipal council."

Amendment of section 57A of Act 32 of 2000, as inserted by section 7 of Act 7 of 2011

10. Section 57A of the Local Government: Municipal Systems Act, 2000, is hereby amended—

(a) by the substitution for subsection (7) of the following subsection:

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"(7) A copy of the record referred to in subsection (6), with portfolio of evidence, must be submitted to the MEC for local government on a quarterly basis."; and

(b) by the substitution for subsection (8) of the following subsection:

"(8) The MEC for local government must, within 14 days of receipt of the record referred to in subsection (6), submit a copy thereof, with portfolio of evidence, to the Minister."

Amendment of section 71 of Act 32 of 2000, as substituted by section 10 of Act 7 of 2011

11. Section 71 of the Local Government: Municipal Systems Act, 2000, is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) Organised local government must, before embarking on any negotiations with parties in the bargaining council established for municipalities, consult **[the]**—

(a) the Financial and Fiscal Commission established in terms of section 220 of the Constitution;

(b) the Minister; **[and]**

(bA) the Minister of Finance; and

(c) any other parties as may be prescribed."

Amendment of section 115 of Act 32 of 2000, as amended by section 94 of Act 6 of 2004

12. Section 115 of the Local Government: Municipal Systems Act, 2000, is hereby amended—

(a) by the substitution in subsection (1) for paragraph (d) of the following paragraph:

"(d) if that person's address in the Republic is unknown, when it has been served on that person's agent or representative in the Republic in the manner provided by paragraphs (a), (b) or (c);
[or]";

(b) by the substitution in subsection (1) for paragraph (e) of the following paragraph:

"(e) if that person's address and agent or representative in the Republic is unknown, when it has been posted in a conspicuous place on the property or premises, if any, to which it relates~~[";or"]~~;
and

(c) by the insertion in subsection (1) after paragraph (e) of the following paragraph:

"(f) when it has been sent by electronic mail or any appropriate electronic communication mechanism."

(d) by the substitution for subsection (3) of the following subsection:

"(3) Any legal process is effectively and sufficiently served on a municipality when it is delivered to the municipal manager or a person **[in attendance at the municipal manager's office]**

delegated by the municipal manager to receive legal documents on their behalf.

Amendment of Schedule 2 to Act 32 of 2000, as amended by section 22 of Act 19 of 2008

13. Schedule 2 to the Local Government: Municipal Systems Act, 2000, is hereby amended by the substitution for item 2 of the following item:

"2. General conduct.— A staff member of a municipality must at all times—

- (a) loyally execute the lawful policies of the municipal council;
- (b) perform the functions of office in good faith, diligently, honestly, and in a transparent manner;
- (c) act in such a way that the spirit, purport and objects of section 50 are promoted;
- (d) act in the best interest of the municipality and in such a way that the credibility and integrity of the municipality are not compromised; **[and]**
- (e) act impartially and treat all people, including other staff members, equally without favour or prejudice[.];
- (f) refrain from committing financial misconduct; and
- (g) ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented.

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CHAPTER 2
AMENDMENT OF LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT,
1998

Amendment of section 25 of Act 117 of 1998, as amended by section 93 of Act 27 of 2000 and section 3 of 2021

14. Section 25 of the Local Government: Municipal Structures Act, 1998, is hereby amended by the substitution in subsection (3) for paragraph (d) of the following paragraph:

"(d) on which the Electoral Commission was informed of the vacancy [occurred] by the municipal manager, if subsection (1)(d) applies."

Amendment of section 29 of Act 117 of 1998, as amended by section 9 of Act 2 of 2003, section 11 of Act 55 of 2008 and by section 3 and section 14 of Act 3 of 2021

15. Section 29 of the Local Government: Municipal Structures Act, 1998 is hereby amended—

(a) by the substitution for subsection (1A) of the following subsection:

"(1A) If the speaker or acting speaker refuses to call a meeting of the council as requested in terms of subsection (1), the speaker or acting speaker must, before the expiry of the date set out in the request, give reasons, in writing, for refusing to call a meeting of the council, which reasons must also be furnished to the MEC for local government in the province, failing which the

municipal manager, or in the absence of, or upon refusal by, the municipal manager, a suitably qualified person designated by the MEC for local government in the province, may call and chair the meeting.";

(b) by the insertion after subsection (1A) of the following subsection:

"(1B) If the councillors referred to in subsection (1) are dissatisfied by the refusal of the speaker, acting speaker or municipal manager to call a meeting of the council, or by the reasons given by the speaker, acting speaker or municipal manager for refusing to call a meeting of the council, as requested in terms of that subsection, such councillors may request the MEC for local government in the province to designate a suitably qualified person to call and chair the meeting."; and

(c) by the insertion after subsection (1B) of the following subsection:

"(1C) Before the MEC for local government in the province designates a person to call and chair the meeting in terms of subsection (1C), the MEC must furnish reasons, in writing, to the speaker or acting speaker for designating the person to call and chair the meeting, which reasons must also be furnished to the councillors referred to in subsection (1)."

Amendment of section 43 of Act 117 of 1998, as amended by section 20 of Act 3 of 2021

16. Section 43 of the Local Government: Municipal Structures Act, 1998, is hereby amended by the insertion after subsection (2) of the following subsections:

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"(2A) A councillor who holds the position of speaker, acting speaker, whip or chairperson of a committee reporting directly to the municipal council may not be a member of the executive committee or participate in the activities of the executive committee.

"(2B) A member of the executive committee may not hold the position of speaker, acting speaker or whip."

Amendment of section 60 of Act 117 of 1998

17. Section 60 of the Local Government: Municipal Structures Act, 1998, is hereby amended by the substitution for subsection (5) of the following subsection:

"(5) If the executive mayor vacates office—[,]

- (a) the mayoral committee appointed by that executive mayor dissolves and must immediately vacate office;
- (b) a new executive mayor must be elected within 14 days from the date of the removed executive mayor's vacating of office; and
- (c) the elected executive mayor must appoint a new mayoral committee within 14 days of taking office."

Amendment of section 73 of Act 117 of 1998, as amended by section 6 of Act 19 of 2008 and section 28 of Act 3 of 2021

18. Section 73 of the Local Government: Municipal Structures Act, 1998, is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) A metropolitan or local council must establish a ward committee for each ward in the municipality within 120 days after the election of the speaker of the municipal council, in accordance with section [22] 36(2)."

Amendment of section 79A of Act 117 of 1998, as inserted by section 29 of Act 3 of 2021

19. Section 79A of the Local Government: Municipal Structures Act, 1998, is hereby amended by the substitution for subsection (1) of the following subsection:

"(1) A municipal council must establish a committee called the municipal public accounts committee, within 120 days after the municipal council is declared elected."

Amendment of section 81 of Act 117 of 1998, as amended by section 121 of Act 32 of 2000, section 5 of Act 33 of 2000 and section 18 of Act 51 of 2022, and substituted by section 64, read with Schedule 3, of Act 3 of 2019

20. Section 81 of the Local Government: Municipal Structures Act, 1998, is hereby amended by the substitution for subsection (7) of the following subsection:

"(7) A committee of a municipal council as referred to in subsection (4)(c), or a ward committee, may invite any recognised traditional leader or any recognised KhoiSan leader other than a participating leader, to address such committee on any matter affecting the relevant traditional or KhoiSan community or communities."

Amendment of section 84 of Act 117 of 1998, as amended by section 6 of Act 33 of 2000, section 19 of Act 51 of 2002 and section 9 of Act 19 of 2008

21. Section 84 of the Local Government: Municipal Structures Act, 1998 is hereby amended—

(a) by the substitution for subsection (1) of the following subsection:

"(1) A district municipality has the following functions and powers:

(a) Integrated development planning for the district municipality as a whole, including a framework for integrated development plans of all municipalities in the area of the district municipality.

(b) Potable water supply systems, domestic waste-water and sewage disposal systems.

[(c) Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity.

(d) Domestic waste-water and sewage disposal systems.]

(e) Solid waste disposal sites, in so far as it relates to—

(i) the determination of a waste disposal strategy;

(ii) the regulation of waste disposal; and

(iii) the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities for more than one local municipality in the district.

- [(f) Municipal roads which form an integral part of a road transport system for the area of the district municipality as a whole.**
- (g) Regulation of passenger transport services.**
- (h) Municipal airports serving the area of the district municipality as a whole.]**
- (i)* Municipal health services serving the area of the district municipality as a whole.
- (j)* Fire fighting services **[serving the area of the district municipality as a whole, which includes—]** as assigned by the MEC responsible for local government.
- [(i) planning, co-ordination and regulation of fire services;**
- (ii) specialised fire fighting services such as mountain, veld and chemical fire services;**
- (iii) co-ordination of the standardisation of infrastructure, vehicles, equipment and procedures;**
- (iv) training of fire officers.]**
- (k)* The establishment, conduct and control of fresh produce markets and abattoirs serving the area of a major proportion of the municipalities in the district.
- (l)* The establishment, conduct and control of cemeteries and crematoria serving the area of a major proportion of municipalities in the district.
- (m)* Promotion of local tourism for the area of the district municipality.

[(n) Municipal public works relating to any of the above functions or any other functions assigned to the district municipality.]

(o) The receipt, allocation and, if applicable, the distribution of grants made to the district municipality.

[(p) The imposition and collection of taxes, levies and duties as related to the above functions or as may be assigned to the district municipality in terms of national legislation.];

(b) by the substitution for subsection (2) of the following subsection:

"(2) A local municipality has the following functions as well as those powers referred to in section 83(1), excluding those functions and powers vested in district municipalities in terms of subsection (1) of this section, in the district municipality in whose area it falls:

(a) Bulk supply of electricity, which includes for the purposes of such supply, the transmission, distribution and, where applicable, the generation of electricity.

(b) Solid waste disposal sites, in so far as it relates to the establishment, operation and control of waste disposal sites, bulk waste transfer facilities and waste disposal facilities.

(c) Municipal roads, which form an integral part of a road transport system.

(d) Regulation of passenger transport services.

(e) Municipal airports.

(f) The establishment, conduct and control of cemeteries and crematoria serving the area of the municipality.

- (g) Air pollution.
- (h) Building regulations.
- (i) Child care facilities.
- (j) Public places.
- (k) Trading regulations.
- (l) Control of undertakings that sell liquor to the public.
- (m) Licensing and control of undertakings that sell food to the public.
- (n) Street trading.
- (o) Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto.
- (p) Beaches and amusement facilities.
- (q) Municipal parks and recreation.
- (r) Local sport and facilities.
- (s) Billboards and the display of advertisements in public places.
- (t) Facilities for the accommodation, care and burial of animals.
- (u) Cleansing.
- (v) Control of public nuisances.
- (w) Fencing and fences.
- (x) Licensing of dogs.
- (y) Pounds.
- (z) Traffic and parking."; and

(c) by the substitution in subsection (3) for paragraph (a) of the following paragraph:

"(a) The Minister may, by notice in the *Government Gazette*, and after consultation with the Cabinet member responsible for the functional area in question, and after consulting the MEC for local government in the province and, if applicable, subject to national legislation, authorise a local municipality to perform a function or exercise a power mentioned in subsection (1)(b)[, (c),] or (e) [**or** (i)] in its area or any aspect of such function or power."

Amendment of section 85 of Act 117 of 1998, as amended by section 7 of Act 33 of 2000 and section 10 of Act 19 of 2008

22. Section 85 of the Local Government: Municipal Structures Act, 1998, is hereby amended—

(a) by the substitution for subsection (1) of the following subsection:

"(1) The MEC for local government in a province may, subject to the other provisions of this section, and after consultation with the Minister and the Cabinet member responsible for the functional area in question, adjust the division of functions and powers between a district and a local municipality as set out in section 84 (1) or (2), by allocating, within a prescribed policy framework, any of those functions or powers vested—

(a) in the local municipality, to the district municipality; or

(b) in the district municipality (excluding a function or power referred to in section 84(1) [(a),] (b), [(c),] (e)[, (i), (o)] or [(p),] (j), to the local municipality.";

(b) by the substitution for subsection (2) of the following subsection:

"(2) An MEC may allocate a function or power in terms of subsection (1) only if—

(a) the municipality in which the function or power is vested lacks the capacity to perform that function or exercise that power; **[and]**

(b) the MEC has consulted the Demarcation Board and considered its assessment of the capacity of the municipality concerned~~[,]~~; and

(c) the MEC has consulted the Minister and the Cabinet member responsible for the functional area in question."; and

(c) by the substitution for subsection (4) of the following subsection:

"(4) The Demarcation Board must—

(a) consider the capacity of a district or local municipality to perform the functions and exercise the powers vested in the municipality in terms of section 84(1) or (2) when~~[—~~

(i) determining or redetermining the boundaries of the district and the local municipalities; or

(ii)] requested in terms of subsection (2)(b) by the MEC for local government in the province concerned to do so; and

(b) convey its assessment in writing to the relevant MEC."

Amendment of Schedule 2 to Act 117 of 1998, as amended by section 93 of Act 27 of 2000, section 9 of Act 20 of 2002, sections 27, 29, 30, 31 and 32 of Act 51 of 2002, section 9 of Act 2 of 2003, section 17 of Act 55 of 2008 and section 34 of Act 3 of 2021

23. Schedule 2 to the Local Government: Municipal Structures Act, 1998, is hereby amended by the substitution for item 19 of the following item:

"19. **Determining the quota.**—In a local council, the quota of votes for a seat to the district council must be determined in accordance with the following formula (fractions to be disregarded)—

$$\frac{A}{B} + 1$$

Where—

- A represents the number of **[members of]** councillors in the local council who have cast their votes; and
- B represents the number of seats that the local council has been awarded on the district council in accordance with item 15."

Amendment of Schedule 7 to Act 117 of 1998, as added by section 36 of Act 3 of 2021

24. Schedule 7 to the Local Government: Municipal Structures Act, 1998, is hereby amended by the insertion after item 7 of the following item:

"(7A)(a) Any councillor who has been suspended or removed from council in terms of subitem (7)(a) and (b) may, within 14 days of

having been notified of the decision of the MEC for local government, appeal to the Minister, in writing, setting out the reasons on which the appeal is based.

(b) A copy of the appeal must be provided to the MEC by the Minister.

(c) The MEC may, within 14 days of receipt of the appeal referred to in paragraph (a), in writing, make any representation pertaining to the appeal to the Minister.

(d) The Minister may, after having considered the appeal, confirm, set aside or vary the decision of the MEC and inform the councillor, the MEC and the council of the outcome of the appeal."

CHAPTER 3

AMENDMENT OF LOCAL GOVERNMENT: MUNICIPAL PROPERTY RATES ACT, 2004

Amendment of section 49 of Act 6 of 2004

25. Section 49 of the Local Government: Municipal Property Rates Act, 2004, is hereby amended by the substitution in subsection (1) for paragraph (c) of the following paragraph:

"(c) serve, by ordinary mail or by electronic mail or any appropriate electronic communication or, if appropriate, in accordance with section 115 of the Municipal Systems Act, on every owner of property listed in the valuation roll a copy of the notice referred to in paragraph (a) together with an

extract of the valuation roll information pertaining to that owner's property."

Short title and commencement

26. This Act is called the Local Government: General Laws Amendment Act, 2024, and comes into operation on a date to be determined by the President by proclamation in the *Gazette*.

MEMORANDUM ON THE OBJECTS OF THE LOCAL GOVERNMENT: GENERAL LAWS AMENDMENT BILL, 2024

1. BACKGROUND

1.1 The Local Government: General Laws Amendment Bill, 2024 (the "Bill") seeks to review and amend the various pieces of legislation that impact on local government with the view to entrench good practices and to address the challenges that have been experienced.

1.2 The Bill seeks to amend various pieces of legislation, including—

- (a) the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) ("LGMSA");
- (b) the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) ("LGMSTA"); and
- (c) the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) ("LGMPRA").

1.3 The Bill seeks to—

- (a) include "whip" in the definition of "political office bearer";
- (b) allow for the electronic communication of information in respect of community participation;
- (c) include growth and climate change scenarios as a core component of the integrated development plan;
- (d) provide for the responsibility of national and provincial organs of state to provide input into a municipality's integrated development plan;

- (e) provide that the additional needs of women and youth are considered in the consultation process and the development of the municipality's integrated development plan;
- (f) provide that the MEC for local government must facilitate the coordination and alignment of integrated development plans across spheres of government;
- (g) provide that municipalities display the municipal code and the roles and areas of responsibility of each political structure, political office bearer and the municipal manager, on their official websites;
- (h) increase the period for acting as the municipal manager from three to six months;
- (i) provide for a municipal council to request the MEC for local government to extend the period of appointment of the acting municipal manager for a further period that does not exceed six months;
- (j) increase the period within which the MEC for local government must enforce compliance with the provisions regarding the appointment of municipal managers and to provide for the municipal council to reconsider the appointment after the MEC for local government has considered the appointment of the municipal manager;
- (k) increase the period for acting as the manager reporting directly to the municipal manager from three to six months;
- (l) provide for a municipal council to request the MEC for local government to extend the period of appointment of the acting manager reporting directly to the municipal manager for a further period that does not exceed six months;

- (m) increase the period within which the MEC for local government must enforce compliance with the provisions for appointment of managers reporting directly to municipal managers and to allow for a municipal council to reconsider the appointment;
- (n) require the Minister to keep records and a portfolio of evidence for dismissed staff and adhere to the rules of natural justice;
- (o) require that the Minister of Finance be among parties to be consulted before organised local government embarks on negotiations in the bargaining council;
- (p) require that a municipality may also serve notices or other official documents electronically;
- (q) determine on whom legal documents must be served in a municipality;
- (r) require staff members to refrain from committing financial misconduct and to ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented;
- (s) redetermine the starting date from which, and the calculation of the period within which, a by-election to fill a vacancy in a ward must be held;
- (t) require the speaker, acting speaker or municipal manager to provide written reasons for refusing to call a meeting of the municipal council, as requested;
- (u) provide for instances where the councillors are dissatisfied with the refusal of the speaker, acting speaker or municipal manager to call a meeting of the municipal council or with the reasons given by the speaker, acting speaker or municipal manager for refusing to call a meeting of the municipal council, or to request the MEC for local

government in the relevant province to designate a person to call and chair the meeting of the council;

- (v) provide that if the executive mayor vacates office, the mayoral committee appointed by that executive mayor, dissolves and that mayoral committee must vacate office;
- (w) prohibit councillors from holding the position of speaker, whip or chairperson of a committee, reporting directly to the municipal council, from being members of an executive committee or participating in its activities;
- (x) require metropolitan or local councils to establish ward committees within 120 days after the election of the speaker of the municipal council;
- (y) provide the timeframe within which the Municipal Public Accounts Committee must be established;
- (z) provide for the participation of traditional or Khoi-San leaders in ward committees;
- (aa) re-determine and re-adjust the division of functions and powers between district and local municipalities;
- (bb) to provide for an appeals process if the MEC for local government suspends or removes a councillor; and
- (cc) re-determine the formula regarding the quota of votes required for a seat in the district council.

2. OBJECTS OF BILL

The Bill is divided into three Chapters, with each Chapter dealing with a specific piece of legislation as highlighted in paragraph 1.2 above.

Chapter 1 - Local Government: Municipal Systems Act, 2000

- 2.1 Clause 1 of the Bill seeks to amend section 1 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (the "LGMSA") in order to provide for the inclusion of the term "whip" in the definition of "political office bearer", so as to align with schedule 3 of the Local Government: Municipal Structures Act, 1998.
- 2.2 Clause 2 of the Bill seeks to amend section 15 of the LGMSA in order to provide for municipalities to display the updated by-laws on their websites. This is to ensure that the public can easily access the by-laws and acquaint themselves with the contents thereof.
- 2.3 Clause 3 of the Bill seeks to amend section 17 of the LGMSA in order to provide for the inclusion of the electronic communication of information in respect of community participation. This section previously did not take into consideration the development of modern communication technologies that apply currently.
- 2.4 Clause 4 of the Bill seeks to amend section 26 of the LGMSA in order to provide for the inclusion of growth and climate change scenarios as a core component of the integrated development plan. The current core components do not make

provision to plan for the impact of future growth and climate change within a municipality's jurisdictional area. The proposed amendment will assist municipalities to be better prepared for the impact of climate change on their planning and operations.

2.5 This clause further provides for the responsibility of national and provincial organs of state to provide inputs into a municipality's integrated development plan. Currently, the national and provincial organs of state are not consistently providing inputs into the integrated development plan of a municipality. The proposed amendment will clarify their responsibility to actively participate in the process.

2.6 Clause 4 further provides for the substitution of "framework" with "plan" on the provision of basic guidelines for a land use management system for the municipality. This section has resulted in interpretation that the spatial development framework ("SDF") must be adopted as part of the IDP, which is a 5-year plan and if a municipality has not made changes to the SDF, then the old SDF must be "readopted" with the adoption of the IDP of the new term of office. This is aimed at addressing the challenge that the SDF is a long-term plan (10-year period).

2.7 Clause 5 of the Bill seeks to amend section 29 of the LGMSA to require that a municipality must consider the additional needs of women and the youth during the consultation and development of the municipality's Integrated Development

Plan. This amendment will ensure that these marginalised groups' inputs are considered in the Integrated Development Plan.

- 2.8 Clause 6 of the Bill seeks to amend section 31 of the LGMSA to provide that the MEC for local government must facilitate the coordination and alignment of Integrated Development Plans across spheres of government. This amendment will ensure greater alignment for integrated planning across the spheres of government and between municipalities in the province.
- 2.9 Clause 7 of the Bill seeks to amend section 53 of the LGMSA by requiring that the respective roles and areas of responsibility of each political structure and political office bearer and of the municipal manager must be displayed on the municipality's official website as envisaged in section 21B of the LGMSA. Many municipalities do not display specific roles and responsibilities on their websites. Such display will make it easy for the public to know as to whom to contact in the municipality for their specific needs.
- 2.10 Clause 8 of the Bill seeks to amend section 54A of the LGMSA to provide that a person appointed as municipal manager or acting municipal manager must also have relevant qualifications. This clause will ensure that an acting municipal manager possesses the required minimum qualifications to undertake the duties of a municipal manager, e.g. Certificate Programme in Management Development for Municipal Finance (CPMD-MF).

- 2.11 Clause 8 of the Bill also seeks to increase the acting period for the position of municipal manager from three to six months. Similarly, this clause provides for a municipal council to request the MEC for local government to extend the period of appointment of acting municipal manager for a further period that does not exceed six months. This will allow enough time for the filling of the position of a municipal manager, especially for rural municipalities.
- 2.12 Clause 8 of the Bill further seeks to extend the period, from 14 days to 30 days, in which the MEC for local government must take appropriate action against the appointment of municipal manager, which appointment is in contravention to the requirements of section 54A.
- 2.13 Clause 8 of the Bill further seeks to require that the Minister takes the appropriate steps, should the MEC fail to take those appropriate steps, in the case of the irregular appointment of municipal managers.
- 2.14 Clause 9 of the Bill seeks to amend section 56 of the LGMSA in order to provide that in addition to the skills, expertise and competencies, a manager or acting manager directly accountable to the municipal manager should have relevant qualifications as prescribed. This clause will ensure that managers or acting managers directly accountable to the municipal manager possess the required minimum qualifications to undertake their duties.
- 2.15 Clause 9 of the Bill further seeks to increase the acting period for managers reporting to the municipal manager, from three to six months. Similarly, clause

9 of the Bill seeks to provide for a municipal council to request the MEC for local government to extend the period of appointment of acting manager reporting to a municipal manager for a further period that does not exceed six months. This will allow enough time for the filling of the position of a municipal manager, especially for rural municipalities.

- 2.16 Clause 9 of the Bill further seeks to extend the period, from 14 days to 30 days, in which the MEC for local government must take appropriate action against the appointment of a manager reporting to the municipal manager which is in contravention to the requirements of section 56 of the LGMSA, and to allow for the municipal council to reconsider the appointment.
- 2.17 Clause 10 of the Bill seeks to amend section 57A of the LGMSA to provide that the Minister, before entering a dismissed municipal official into the register, receive the portfolio of evidence (resignation letter, disciplinary outcome etc.) from the MEC. This will avert a litigation process that can ensue should an incorrect entry be effected into the register for officials dismissed for misconduct.
- 2.18 Clause 11 of the Bill seeks to amend section 71 of the LGMSA to include the Minister of Finance as one of the parties that must be consulted by organised local government before embarking on any negotiations in the bargaining council established for municipalities. This is necessary since the Minister of Finance is responsible for the allocation of the equitable share, which most municipalities depend on for operational purposes.

- 2.19 Clause 12 of the Bill seeks to amend section 115 of the LGMSA to provide that a municipality may also serve documents electronically. This will improve accessibility of consumers by municipalities thus ensuring the timeous delivery of essential documentation such as billing, rates assessments etc. This will, in turn, improve revenue collection. Clause 12 of the Bill seeks to provide whom legal documents can be served on in a municipality, but also allows the municipal manager to designate a specific official to receive these documents.
- 2.20 Clause 13 of the Bill seeks to amend Schedule 2 of the LGMSA to provide that staff members of a municipality must at all times refrain from committing financial misconduct and to ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented. The proposed inclusion seeks to ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses is the responsibility of all officials in the municipality, and that consequence management can be applied.

Chapter 2 - Local Government: Municipal Structures Act, 1998

- 2.21 Clause 14 of the Bill seeks to amend section 25 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) (the "LGMSTA") to provide that the MEC may only call a by-election on a ward vacancy after the Independent Electoral Commission ("IEC") has been informed thereof, by the municipal manager. The timeframe for the holding of by-elections is 90 days. Currently, the counting of the 90 days commences on the day the vacancy

occurs, and that strains the IEC's preparations for the holding of by-elections since the IEC depends on the declaration of the vacancy by the municipal manager. This proposed insertion will thus afford the IEC enough time to prepare for by-elections.

2.22 Clause 15 of the Bill seeks to amend section 29(1A) of the LGMSTA, and seeks to insert subsection 29(1B) and (1C) into the LGMSTA to provide that if the speaker, acting speaker or municipal manager refuses to call a meeting of the council as requested, the speaker, acting speaker or municipal manager must, before the expiry of the date set out in the request, give written reasons for refusing to call a meeting of the council, which reasons must also be furnished to the MEC. If the councillors who requested the meeting are dissatisfied by the reasons given by the speaker, acting speaker or municipal manager, such councillors may request the MEC to designate a suitably qualified person to call and chair the meeting. Before the MEC designates a person, the MEC must furnish written reasons to the speaker or acting speaker for designating a person to call and chair the meeting.

2.23 The intervention by MECs in terms of section 29 of the LGMSTA has often been challenged by municipal councils in courts, wherein the courts have ruled that MECs have not followed the rules of natural justice and the Promotion of Access to Justice Act, 2000 (Act No. 3 of 2000) when designating a person to call and chair a meeting. The proposed insertion seeks to provide a procedure to be followed by MECs when implementing section 29 of the LGMSTA and to ensure

that the rules of natural justice are adhered to, thus limiting unnecessary costly litigation.

2.24 Clause 16 of the Bill seeks to amend section 43 of the LGMSTA to prohibit councillors holding the position of speaker, whip or chairperson of a committee reporting directly to the municipal council from being members of an executive committee or participating in its activities, and also prohibits a member of the executive committee from holding the position of speaker, acting speaker or whip. The proposed insertion seeks to ensure that there is separation of powers between the legislative and executive authority in municipal councils.

2.25 Clause 17 of the Bill seeks to amend section 60 of the LGMSTA to provide that if the executive mayor vacates office, the mayoral committee appointed by that executive mayor dissolves and must vacate office. There are different interpretations of section 60 of the LGMSTA by municipalities in terms of the dissolving of the mayoral committee. Some are of the view that the Members of Mayoral Committee (MMCs) do not vacate office when the mayoral committee is dissolved. The insertion is meant to clarify that the MMCs must vacate office when the executive mayor vacates office, and the mayoral committee is dissolved. Additionally, the clause also introduces a timeframe of 14 days for the election of the new executive mayor after the former mayor had vacated office, and that the new mayor must appoint MMCs within 14 days of taking office. This is meant to ensure a seamless transition and continuity in the executive of the municipality.

- 2.26 Clause 18 of the Bill seeks to amend section 73 of the LGMSTA to provide that a metropolitan or local council must establish a ward committee for each ward in the municipality within 120 days after the election of the speaker of the municipal council. The advent of coalitions in municipalities has been confronted by numerous challenges in the establishment of municipal councils e.g. delays in the election of office bearers. Since the speaker is entrusted with the function of establishing and overseeing ward committees, it is paramount that the timeframe of 120 days commences on the day the speaker is elected.
- 2.27 Clause 19 of the Bill seeks to amend section 79A of the LGMSTA to provide for the timeframe within which the Municipal Public Accounts Committee must be established. Many municipalities fail to establish the Municipal Public Accounts Committee within a reasonable time after the municipal council was established. This proposed amendment seeks to provide clarity on the timeframe.
- 2.28 Clause 20 of the Bill seeks to amend section 81 of the LGMSTA to provide for the participation of traditional or Khoi-San leaders in the ward committee meetings. This proposed amendment seeks to provide for the traditional or Khoi-San leaders to be part of ward committee discussions on matters that may have specific implications for their community in the ward.
- 2.29 Clause 21 of the Bill seeks to amend section 84 of the LGMSTA to provide clarity on the functions and powers of district municipalities and powers of local municipalities. The lack of clarity on the current allocation of powers and

functions has proven to be extremely problematic as it hinders the efficient and effective provision of services. This further creates uncertainty for consumers who are unsure who to hold accountable for poor service delivery. Therefore, the proposed insertion is aimed at clarifying the functions and powers between the district and local municipalities.

2.30 Clause 22 of the Bill seeks to amend section 85 of the LGMSTA to provide that the MEC may adjust the division of functions and powers between a district and a local municipality after consultation with the Minister and the Cabinet member responsible for the functional area in question. This proposed insertion seeks to ensure that the purpose of the adjustments of functions and powers is for improving service delivery. In essence, the clause seeks to provide assurance in as far as checks and balances are concerned in the adjustments of powers and functions.

2.31 Clause 23 of the Bill seeks to amend Schedule 2 to the LGMSTA to redetermine the formula regarding the quota of votes required for a seat to the district council. The seat calculation formula for the election of local council representatives to district councils uses the number of members of the municipal council as opposed to the number of councillors who have cast their votes. This has the effect that not all local council representatives to the district council seats being taken up in cases where (intentionally or unintentionally) not all councillors participate. If 40% of do not participate, then 40% of representatives cannot be elected. To address this problem, the formula is reviewed to require that the calculation be based on the number of councillors

that have participated and casted the votes and not the size of the council to constitute the total seats in the local council to the district council. This is in alignment to the norm in all other elections.

- 2.32 Clause 24 of the Bill seeks to amend Schedule 7 to the LGMSTA to provide for an appeals process if the MEC for local government suspends or removes a councillor. This proposed amendment seeks to ensure consistency in the application of the rules of administrative justice when a councillor is suspended or removed by the MEC for local government.

Chapter 3 - Local Government: Municipal Property Rates Act, 2004

- 2.33 Clause 25 of the Bill seeks to amend section 49(1)(c) of the Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004) (the "LGMPRA") to provide that the municipal manager may also serve the certified valuation roll by electronic mail or any appropriate electronic communication. This will improve the accessibility of rate payers by municipalities, thus ensuring the timeous delivery of the certified valuation roll.

- 2.34 Clause 26 of the Bill provides the short title of the Bill.

3. DEPARTMENTS/ BODIES/ PERSONS CONSULTED

- (a) National Treasury;
- (b) Department of Basic Education;
- (c) Department of Public Enterprises;

- (d) Department of Forestry, Fisheries and the Environment;
- (e) Department of Agriculture, Land Reform and Rural Development;
- (f) Department of Tourism;
- (g) Department of Communications and Digital Technologies;
- (h) Western Cape - Department responsible for local government;
- (i) KwaZulu-Natal - Department of Cooperative Governance and Traditional Affairs;
- (j) South African Revenue Service; and
- (k) IEC.

4. FINANCIAL IMPLICATIONS FOR THE STATE

No financial implications are foreseen in the implementation of the Bill.

5. PARLIAMENTARY PROCEDURE

- 5.1 In the case of *Tongoane and Others v Minister of Agriculture and Land Affairs and others 2010 (6) SA 214 (CC)* (hereinafter referred to as the “*Tongoane judgment*”), the Constitutional Court confirmed and endorsed the test for tagging of Bills that was formulated by that Court in *Ex Parte President of the Republic of South Africa: In re Constitutionality of the Liquor Bill [1999] ZACC 15;2000 (1) SA 732 (CC); 2000 (1) BCLR 1 (CC)*, where Ngcobo CJ held as follows at paragraph 56:

“The heading of section 76, namely, “Ordinary Bills affecting provinces” provides “a strong textual indication that section 76(3) must be understood as requiring that any Bill whose provisions in substantial measure fall within a

functional area listed in Schedule 4, be dealt with under section 76" (Our underlining.)

5.2 The following paragraphs from the Tongoane judgment are important:

[59] *[T]he tagging test is distinct from the question of legislative competence. It focuses on all the provisions of the Bill in order to determine the extent to which they substantially affect functional areas listed in Schedule 4 and not on whether any of its provisions are incidental to its substance.*

...

[60] *The test for tagging must be informed by its purpose. Tagging is not concerned with determining the sphere of government that has the competence to legislate on a matter. Nor is the process concerned with preventing interference in the legislative competence of another sphere of government. The process is concerned with the question of how the Bill should be considered by the provinces and in the NCOP, and how a Bill must be considered by the provincial legislatures depends on whether it affects the provinces. The more it affects the interests, concerns and capacities of the provinces, the more say the provinces should have on its content.*

...

[64] *The purpose of tagging is therefore to determine the nature and extent of the input of provinces on the contents of legislation affecting them. Indeed, all the legislation mentioned in section 76(3) is legislation that substantially affects the interests of provinces.*

...

[69] *The tagging of Bills before Parliament must be informed by the need to ensure that the provinces fully and effectively exercise their appropriate role in the process of considering national legislation that substantially affects them. Paying less attention to the provisions of a Bill once its substance, or*

purpose and effect, has been identified undermines the role that provinces should play in the enactment of national legislation affecting them. The subject-matter of a Bill may lie in one area, yet its provisions may have a substantial impact on the interests of provinces. And different provisions of the legislation may be so closely intertwined that blind adherence to the subject-matter of the legislation without regard to the impact of its provisions on functional areas in Schedule 4 may frustrate the very purpose of classification.

...

[71]... [T]he “substantial measure” test permits a consideration of the provisions of the Bill and their impact on matters that substantially affect the provinces. This test ensures that legislation that affects the provinces will be enacted in accordance with a procedure that allows the provinces to fully and effectively play their role in the law-making process. This test must therefore be endorsed.

[72] To summarise: any Bill whose provisions substantially affect the interests of the provinces must be enacted in accordance with the procedure stipulated in section 76. ... Whether a Bill is a section 76 Bill is determined in two ways. First, by the explicit list of legislative matters in section 76(3)(a)–(f), and second by whether the provisions of a Bill in substantial measure fall within a concurrent provincial legislative competence” (Our underlining.)

As indicated in the Tongoane judgment “any Bill whose provisions in substantial measure” falls within a function listed in Schedule 4 to the Constitution must be classified as a section 76 Bill. The question that needs to be asked therefore is whether the provisions of the Bill, in substantial measure, fall within a functional area listed in Schedule 4 to the Constitution, or whether the Bill provides for legislation envisaged in section 76(3)(a)-(f) of the Constitution.

5.3 We have considered all the provisions of the Bill in order to establish the extent to which the provisions substantially affect any of the matters or functional areas listed in Schedule 4 of the Constitution. Schedule 5 of the Constitution lists functional areas of exclusive provincial legislative competence.

5.4 In our view, the subject matter of the Bill, which deals with local government matters, does not, in substantial measure, fall within any of the functional areas listed in Schedules 4 or 5 to the Constitution. The Bill provides mainly for local government matters for the whole Republic. Therefore, the State Law Advisers and the Department are of the opinion that the Bill is an ordinary Bill affecting the provinces and must be dealt with in accordance with the procedure set out in section 76 of the Constitution.

6. REFERRAL TO NATIONAL HOUSE OF TRADITIONAL LEADERS

6.1 Section 39(1)(a)(i) of the Traditional and Khoi-San Leadership Act, 2019 (Act No. 3 of 2019) provides that any Bill which directly affects traditional or Khoi-San communities or pertaining to customary law or customs of traditional or Khoi-San communities or pertaining to any matter referred to in section 154(2) of the Constitution must, before it is passed by the house of Parliament where it was introduced, be referred by the Secretary to Parliament to the National House for its comments.

6.2 The State Law Advisers are of the view that the Bill does contain provisions providing for the participation of traditional or Khoi-San leaders in ward committees, which pertains to the traditional or Khoi-San communities.

Therefore, it is the State Law Advisers' view that it is necessary for the Bill to be referred to the National House for its comments.