

Must I pay a special sectional title levy?

By [Corlia Van Zyl](#) | Posted on 09 February 2016

"I am considering buying property in a sectional title scheme. The estate agent mentioned that a normal levy will be payable every month but the trustees of the body corporate of the scheme have the authority to determine a further special levy from time to time. I was aware of the normal monthly sectional title levy, but what is a special levy?"

Quite often buyers and owners are unaware of all the financial implications of owning a sectional title unit. An important aspect thereof is to be aware of and differentiate between a normal monthly sectional title levy and a special levy. These levies are not determined in the same manner and the person liable for payment thereof may also differ.

Section 37(2A) and prescribed Management Rule 31(4B) of the Sectional Titles Act provides the trustees of the body corporate of the sectional title scheme with the discretion to determine special levies by passing a resolution to that effect. The trustees can, however, only pass a resolution for a special levy if they adhere to the following two requirements. The first requires the special levy to be necessary - this means that it must be urgent and cannot wait to be included in the next financial year's budget. The second requirement is that the expense may not already have been included in the annual budget of the scheme. The trustees further also have the discretion to state whether the special levy should be paid in a lump sum or in instalments over a certain time period.

The Sectional Titles Act provides that the person who is the owner of the sectional title unit at the time of the passing of the resolution for the special levy is liable for the full amount of this levy. This means that should a special levy be passed and an owner sells his unit thereafter, that owner remains liable for the full payment of the special levy before the unit can be transferred to the new owner. The Body Corporate of the sectional title scheme can even make such payment a condition for the issuing of the Levy Clearance Certificate needed to enable the transfer of the sectional title unit.

In general, special levies are for emergencies only and to deal with unforeseen expenses or expenses that have been inadequately catered for in the annual budget, but should not be used for maintenance expenses which must be included in the annual budget of the sectional title scheme. Whatever its purpose, if the resolution is validly passed, the owner of a sectional title unit will have to pay the special levy.