


Assented to by me this 19th day of July 2012

  
SENATOR ABIOLA ISIAQ AJIMOBI  
HIS EXCELLENCY, THE EXECUTIVE GOVERNOR

Crest  
Oyo State of Nigeria

No.41

**A LAW TO MAKE PROVISIONS FOR THE LEVYING AND COLLECTION OF THE CHARGES ON LAND AND FOR OTHER MATTERS CONNECTED THEREWITH**

Date of Commencement: ( )

Enactment: **ENACTED** by the House of Assembly of Oyo State of Nigeria as follows:

Short Title: 1. This Law may be cited as the Land Use Charge Law, 2012

2. Interpretation: In this Law:
- “assessment appeal tribunal” means the Assessment Appeal Tribunal established in Section 12;
  - “building” includes anything constructed or placed on, in over or under land but does not include a highway or road or a bridge that or part of a highway or road;
  - “charge” means an assessed amount on property payable under this Law;
  - “chargeable person” means a person liable to pay Land Use charge on a chargeable property or his appointed successors-in-title, assigns, executors and administrators;
  - “chargeable property” means any property in respect of which land Use Charges is payable;
  - “collecting authority” means the Government of Oyo State or any officer, authority or agent;

"Commercial property" includes shops, shopping complexes, offices and leased property;

"Commissioner" means Commissioner for Finance, Oyo State;

"court" means Magistrate Court not lower than Senior Magistrate Grade I

"Exempt property" means any property of a class described under Section 8;

"Financial Year" means any period of 12 months beginning from January 1 and ending on the December 31 next;

"Governor" means the Governor of Oyo State;

"hospital" includes clinics, maternity centres, convalescence homes and health centres.

"improvement to property" means a building, structure, fixture or fence erected on or affixed to land, or a movable structure that is designed to be occupied for residential or business purposes whether or not affixed to the land;

"private property" means a residential property used as the residence of the owner or his immediate family members.

"net land use charge" means the actual amount of Land Use Charge collected and deposited with respect to the properties in a Local government Area, less the cost of collecting that charge and less fees payable to designated banks for the deposit or withdrawal of Land Use Charge payments;

"occupier" in relation to a property, includes any person in beneficial occupation whether pecuniary or otherwise but does not include a lodger;

"owner" in relation to any property shall include the person for the time being receiving the property in connection with which the word is used, whether on his own account or as agent or trustee for any other person who would receive the sum if such property were let to a tenant, and the holder of a property direct from the State whether under lease, license or otherwise.

"Real property" includes

- (a) A parcel of land;
- (b) An improvement;
- (c) A parcel of land and improvement; or
- (d) A wharf or pier;

"land use charge" includes all property and Land Based Rates and Charges payable under this Law;

"state" means Oyo State Government;

"structure" means a building or other erection placed in, on over or under land whether or not it is affixed to the land;

Imposition of Land Use Charge Bill 3(1)

- Subject to the provisions of this Law, there is imposed a land based charge, to be called Land Use Charge which shall be payable on all real property situate in the State;
- (2) For the purpose of this Law, each Local Government in the State is hereby appointed by the State Governor be the only body empowered to levy and collect Land Use Charge for its area of jurisdiction.
  - (3) Land Use Charge shall be payable in respect of any property that is not exempt under Section 8 of this Law.

Power of Commissioner to Appoint Assessors 4(1)

- The Commissioner shall undertake or cause to be undertaken an assessment of chargeable properties in such areas of the State as the Commissioner may designate.
- (2) For the purpose of subsection (1) hereof, the Commissioner may appoint such property identification officers, qualified assessors and other persons as he considers necessary.
  - (3) For the purpose of carrying out the identification or assessment of a property, the identification officers or assessors or their authorized assistants may, on any day between the hour of 7.00am and 5.00p.m. excluding Saturdays and public holidays:
    - (a) enter, inspect, survey and assess the property;
    - (b) request documents or other information to be produced to the identification officer or assessor;
    - (c) take photographs; and, or
    - (d) make copies of documents necessary to the inspection.

Person liable to pay charge

5. The owner of the property shall liable to pay Land Use Charge in respect of any chargeable property.

Value of annual charge rate.

6(1) The value of the annual charge rate for the financial year in which this Law comes into force, and in each subsequent financial year shall be set by the Commissioner and shall be published in the State Government Official Gazette and in one or more newspapers circulating within the State.

(2) The values of the property Code Rate shall be set by the Commissioner on the date when this Law comes into force and shall, from time to time, be revised by the Commissioner, subject to the approval of the House of Assembly.

(3) The amount payable as Land Use Charge shall be determined in accordance with the formula set out in the Schedule to this Law.

Payment of Charge

7. A person liable to pay Land Use Charge shall pay the charge in the manner specified in the Land Use Charge Demand Notice.

Exempted Property

8.(1) The following properties shall be exempted from payment of Land Use Charge:

(a) A property owned and occupied by a religious body and used for worship and religious education;

(b) Cemeteries and burial grounds;

(c) Property used as public library;

(d) Any property specifically exempted by the Governor by notice published in the Official Gazette giving reason(s) for such exemption.

(e) palaces of recognized Obas and Chiefs in the State;

(f) all public buildings;

(g) all buildings used by Government for hospitals.

(h) property wholly used for registered orphanage home, child care centre and other philanthropic purpose.

(2) The Commissioner may by notice published in the State Government Official Gazette grant partial relief for a property that is occupied by a non-profit making organization and used solely for community games, sports, athletics or recreation for the benefit of the general public.

Loss of exemption 9(1) An exempted property or part of an exempted property shall become liable for Land Use Charge if:

- (a) The use of the property changes to one that does not qualify for the exemption; or
- (b) The occupier of the property changes to one who does not qualify for the exemption.

(2) If the Land Use Charge status of a property changes, a Land Use Charge imposed in respect of that property shall be prorated so that the Land Use Charge is payable only for that part of the year in which the property, or part of it is not exempt.

Land Use Charge Demand Notice. 10(1) The Commissioner shall cause to be issued in each Financial Year a Land Use Charge Demand Notice with respect to every chargeable property that has been assessed in accordance with this Law.

(2) The Land Use Charge Demand Notice shall be delivered to the owner or occupier of the property.

(3) If there is no owner or occupier or agent available to take delivery, the Land Use Charge Demand Notice shall be pasted on the property and such posting shall be deemed sufficient delivery of the notices.

(4) The person liable to pay the amount of Land Use Charge on the demand notice shall within 30 calendar days after the date of delivery of the Land Use Charge Demand Notice pay that amount in the manner specified in the Demand Notice.

(5) Upon an application in writing made by the owner, the Commissioner may reduce the Land Use Charge by such discount as is specified in the demand notice, if the owner pays within 15 days of receiving the demand notice.

Power of payment by the occupier 11. The collecting Authority may by notice in writing demand Land Use Charge from the occupier of a chargeable property and if the payment is made by an occupier who is a tenant such shall be recoverable from the rent or other money due or to become due to the owner.

Indemnification of Agent 12. Every person liable under this Law for payment of Land Use Charge on behalf of an owner may retain out of any money coming into his hands on behalf of or becoming due for him to the owner as may be sufficient to pay the charge, and shall be indemnified against any person for all payment made by him under this Law.

Appointment and 13(1) There is hereby established an Assessment Appeal Tribunal in the following qualification of zones of the state:  
Assessment  
Appeal  
Tribunal

- (a) Ibadan Zone 1;
  - (b) Ibadan Zone 2;
  - (c) Oyo Zone;
  - (d) Ogbomoso zone;
  - (e) Ibarapa zone;
  - (f) Oke-Ogun zone 1;
  - (g) Oke-Ogun Zone 2
- (2) The Tribunal shall consist of five (5) members appointed by the Governor on the recommendation of the Commissioner except the Chairman of the Tribunal. The Membership shall comprise the following professionals with a minimum of five (5) years post qualification experience.
- (3) The appointments to be done under subsection (2) of this section shall be on the recommendation of the Commission from among persons possessing the following qualifications:
- (a) A Legal practitioner as the Chairman on the recommendation of Attorney-General.
  - (b) A registered Estate Surveyor and Valuer
  - (c) And three (3) other members from the following professions with relevant qualifications.
    - (i) Quantity surveying
    - (ii) Land surveying
    - (iii) Town Planning
    - (iv) Business Administration
    - (v) Accounting
- (4) A minimum of 3 members shall constitute a panel of the Tribunal.
- (5) Members of the Tribunal shall hold office for a period of 3 years as may be prescribed by the Governor and shall be paid such allowances as the Governor may, from time to time, determine.

- Power of Assessment Appeal Tribunal 14. The Assessment Appeal Tribunal may:
- (a) by summons, require the attendance of any person, examine him and may require answers to any question which it may deem fit to put concerning an appeal before it;
  - (b). Require and enforce the production of all books and documents which it may consider necessary;
  - (c) administer oaths and affirmations;
  - (d) levy fine against appellants if the members of the Tribunal consider that the appeal before it is of a frivolous nature and such fine shall not exceed 10% of payable charge.
- Appeal against Assessment 15(1) A person may appeal to the Tribunal if he is aggrieved by:
- (a) a decision that the property which he owns is a chargeable property; or that he is liable to pay Land Use Charge in respect of such property; or
  - (b). any calculation of an amount which he is liable to pay as land Use Charge, and the Tribunal shall make such decision as it deems fit;
- (2) The time allowed for an appeal to the Tribunal shall be 30 days after the date of delivery of the demand notice.
  - (3) The onus of proving an excessive assessment of a property shall lie on the Appellant.
  - (4) A person giving evidence before the Tribunal shall, in respect of any evidence given by him or any document he is required to produce, be entitled to all the privileges to which a witness in a trial before a Magistrate Court is entitled.
  - (5) In respect of the compelling of witnesses, Tribunal shall have same powers as that of a Magistrate court.
  - (6) The Assessment Appeal Tribunal may confirm, reduce, increase or annul the assessed value.
  - (7) An appeal from a decision of the tribunal may be made to the High Court
- Conditions of Appeal 16. The Ministry of Justice will prescribe the fee to be paid to the Assessment Appeal Tribunal.

Land Use 17(1)  
Collection Fund

The Commissioner shall establish and maintain a fund, to be known as the Land Use Charge Collection Fund, consisting of all Land Use Charge payments deposited in accordance with this Law.

- (2) At the beginning of each month, the Commissioner shall determine the total amount of Land Use Charge payments deposited.
- (3) The Commissioner shall, not later than 10 days after the beginning of each month, pay to each Local Government Council in the State a share of the Land Use Charge Collection standing on deposit in the fund.
- (4) The share to be paid by the Commissioner to each Local Government Council shall be such percentage of the Net Land Use Charge on deposit at the end of each month as agreed between the State and all the Local Government Areas.

18. The Commissioner may apply to a court to:

- (a) recover sums payable under this Law;
- (b) recover any Land Use Charge or penalty incurred under this Law by a deceased person at any time before his death;
- (c) attach a person's earnings or goods where a court has made a liability order against that person.

19. Any person who:

- (a) refuses or neglects to comply with any provision of this Law when he is required to do so by the property identification officer or an assessor;
- (b) prevents, hinders, or obstructs any property identification officer or an assessor in the course of his lawful duty;
- (c) removes from or damages or destroys a property identification plaque on any property or building; commits an offence and shall be liable on summary conviction to a fine of an amount not exceeding #100,000.00 or to a term of imprisonment for a period of 3 months or both.

Penalty for 20.  
Inciting a person  
to refuse to pay  
Charge

Any person who:

- (a) incites another person to refuse to pay any rate under this Law on or before the day on which it is payable; or
- (b) incites or assist any person to misrepresent in any way his chargeable capacity; commits an offence and shall be liable on conviction to a maximum fine of an amount not exceeding #100,000.00 or to term of imprisonment of 3 months or both.

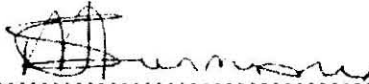


- 21.(1) Where a person who has received a Land Use Charge Demand Notice fails to pay the amount within the period specified in the Notice, the charge payable shall be increased by the following percentage:
- (a) between 45 calendar days and 75 calendar days 10%
  - (b) between 75 calendar days and 105 calendar days 25%
  - (c) between 105 calendar days and 135 calendar days 50%
- (2) If payment is not made after 135 calendar days, the owner of the property on which the Land Use Charge is payable shall be liable to be charged to court.
- (3) The owner is however entitled at any time to apply to the Tribunal for a review of any charges and penalties under this Law.

Regulations 22. Subject to the approval of the House of Assembly, the Commissioner may make prescribing regulations generally for carrying into effect the purposes of this Law.  
Procedure.

Repeal 23. The Tenement Rates law Cap 160 Laws of Oyo State, 2000 is hereby repealed.

The printed impression has been carefully compared with the Bill which was passed by the Oyo State House of Assembly and it is hereby certified to be a true and correct printed copy of the Bill.



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**Rt. Hon. (Hadjia) M. J. Sunmonu**  
**Speaker, House of Assembly**



.....  
**Barrister Paul Ishola Bankole**  
**Permanent Secretary/Clerk**

## SCHEDULE (SECTION 6)

The formula to be used to determine the annual amount of the Land Use Charge payable for any property under this Law is herein provided as follows:

$$\text{LUC} = M (\text{LA} \times \text{LV}) + (\text{BA} \times \text{BV} \times \text{PCR})$$

Where

LUC = annual amount of Land Use Charge in Naira

M = the annual charge rate expressed as a percentage of the assessed value of the property and which may, at the State Government's discretion vary between owner-occupied residential property and commercial (revenue generating) property.

LA = the area of the land parcel in square meters.

LV = the average value of a land parcel in the neighbourhood, per square meters in Naira.

BA = the total develop floor area of building on the plot of land in square meters, or the total floor area of apartment unit in a building where apartment has a separate ownership title

BV = the average value of medium quality buildings in the neighbourhood, per square meter in Naira.

PCR = the property Code Rate for the building being of higher or lower value than the average buildings in the neighbourhood and which also accounts for the degree of completion of construction of the building.

$(\text{LA} \times \text{LV} + (\text{BA} \times \text{BV} \times \text{PCR}))$  = the assessed value of the property.