



## EDO STATE

### A LAW TO MAKE PROVISIONS FOR THE CONSOLIDATION OF ALL LAND BASED RATES AND CHARGES PAYABLE IN EDO STATE INTO A SINGLE CHARGE TO BE CALLED LAND USE CHARGE, TO MAKE PROVISION FOR THE LEVYING AND COLLECTION OF THE CHARGE AND FOR PURPOSES CONNECTED THEREWITH.

#### 1. **Enactment**

The Edo State House of Assembly enacts as follows:

#### 2. **Citation/ Commencement**

This Law may be cited as the Land Use Charge Law 2012 and shall come into force on the .....day of.....

#### 3. **Imposition of Land Use Charge**

- (1) Subject to the provisions of this Law, there is hereby imposed a Land Use Charge which shall be payable on all real property situate in Edo state and assessed for the purpose under this law.
- (2) For the purpose of this Law, each Local Government Area in the State may delegate to the State, by written agreement, its functions with respect to the collection of rates and the assessment of privately owned houses or tenement for the purposes of levying such rate as may be prescribed under this Law.

#### 4. **Property Liable to Charge**

Land Use Charge shall be payable annually in respect of any property which is not exempted under Section 9 of this Law.

#### 5. **Property Assessment**

- (1) Where assessment and collection of Land Use Charge has been delegated in accordance with Section 3(2) above, the Edo State Commissioner for Lands, Survey and Housing shall undertake or cause to be undertaken an assessment of chargeable properties in such area of the State as the Commissioner may direct.
- (2) For the purpose of subsection (1) the Commissioner may appoint independent professional estate valuers as assessors and such qualified assessors and other persons as he considers necessary.

- (3) The persons so appointed pursuant to subsection (2) may on any day between the hours of 7.00 am and 5.00 pm:
- a. Enter, inspect and assess the property;
  - b. Request documents or other information to be produced to assessors;
  - c. Take photographs; and
  - d. Make copies of such documents as they consider necessary for the inspection.

Provided however that at least seven days prior notice of the site inspection and survey shall be given to the property owner/occupier.

#### **6. Persons Liable to Pay Charge**

The owner of an assessed property is liable to pay Land Use Charge in respect of the property.

#### **7. Valuation and Assessment**

The rate to be used in determining the Land Use Charge payable for any property under this Law shall be as stipulated in the schedule to this law. No rate for determining the annual amount payable for any property shall be altered without the approval of the Edo State House of Assembly.

#### **8. Payment Charge**

A person liable to pay Land Use Charge shall pay at any of the designated banks listed in the Land Use Charge Notice.

#### **9. Exemption from Property Charge**

- (1) The following properties shall be exempted from payment of Land Use Charge:
- a. A property owned and occupied by a religious body, approved exclusively for public worship and or used for nonprofit making religious education.
  - b. Public cemeteries and burial grounds;
  - c. Public libraries;
  - d. All official palaces of recognized traditional rulers in the State; and



- e. Any property specifically exempted by the Governor of Edo State by notice published in the State Government Official Gazette;
  - f. Owner occupied Residential Property which is;
    - (i) 100ft by 100ft maximum in a non- choice area of an Urban Area.
    - (ii) 100ft by 100ft in a non- choice area in a rural setting.
  - g. Community property solely for community meetings, activities and events;
  - h. Owner occupier pensioner property and owner occupier over sixty (60) years old; and
  - i. Family compound.
- (2) The Governor may, by notice published in the State Government official gazette grant partial relief for a property that is;
- a. Occupied by a nonprofit making organization and used for games, sports, athletic, or recreation for the benefit of the general public; or
  - b. Used for a charitable or benevolent purpose for the benefit of the general public.
- (3) No owner occupied property located in an Area designated as Highbrow choice Area and Government Reservation Area (GRA) by the Commissioner for Land and Housing shall qualify for exemption, except as specified in section 9(1) of the land use charge.

#### **10. Loss of Exemption**

- (1) An exempt property or part of an exempt property shall become liable to Land Use Charge if the use of the property changes to one that does not qualify for the exemption.
- (2) If the Land Use Charge status of a property changes, Land Use Charge imposed in respect of that property shall be prorated so that the charge is payable only for that part of the year during which the property, or part of it, is not exempted

**11. Land Use Charge Demand Notice**

- (1) The Commissioner for Land, Survey and Housing 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, occupier or agent in charge of an assessed 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 assessed property and such pasting shall be deemed sufficient delivery of the Notice.
- (4) The person liable to pay the amount of Land Use Charge on the Demand Notice shall within thirty (30) calendar days after the date of delivery of the Notice pay the amount indicated at any of the banks specified in the Demand Notice.
- (5) A copy of the Land Use Charge Demand Notice so served shall be forwarded to Board of Internal Revenue (BIR) for the amount due.

**12. Power to Appoint Agent**

- (1) For the purpose of the implementation of this Law, the internal Revenue Service shall be the sole collecting authority of the Land Use Charges due to Edo State Government.
- (2) The Internal Revenue Service of Edo State may by Notice in writing appoint any person including any occupier of a chargeable property to be an agent of the owner for the purpose of this Law.
- (3) Any person appointed under sub-section 1 above may be required to pay the Land use Charge which is or will be payable by the owner from any money which may be held by him or due or become due by him to the owner whose agent he has been declared to be, and in default of such payment, the charges shall be recoverable from the owner.
- (4) For the purpose of this Section, the Collecting Authority may require an occupier or agent of a defaulting owner of a chargeable property, to give information as to any money, fund or other asset which may be held by him, for him or of any money due by him to that person.
- (5) Where the Land Use Charge Demand Notice has been served on any



occupier or other person found on the assessed property who is not the owner thereof, such person is deemed to have been duly appointed as agent of the owner and will be liable to pay the Charge on behalf of the owner unless he supplies the Collecting Authority with full names and current address of the owner within ten (10) days of receiving the demand notice.

**13. Tax Assessment Review Committee**

There shall be established a Tax Assessment Review Committee (TARC) constituted pursuant to Section 46 of the Edo State Revenue Administration Law, 2012.

**14. Power of Tax Assessment Review Committee**

The Tax Assessment Review Committee may:

- a. By summons, require the attendance of any person, examine him, and 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.

**15. Appeal against Assessment**

- (1) A person may appeal to the Tax Assessment Review Committee (TARC) if he is aggrieved by:
  - a. A decision that his property is chargeable under this Law;
  - b. The classification of his property;
  - c. The valuation of his property; or
  - d. The calculation of the amount of Land Use Charge Payable.

And the Tax Assessment Review Committee (TARC), shall make such decision as it deems fit having regard to the evidence before it.

- (2) The time allowed for an appeal to the Tax Assessment Review Committee (TARC) shall be twenty-one (21) days after the date of delivery of the Notice of Refusal to amend under Section 11(3) of this Law.
- (3) The onus of proving an excessive assessment of a property shall lie on the owner.

- (4) A person giving evidence before the Tax Assessment Review Committee (TARC) shall, in respect of any evidence given by him or any document he is required to produce, be entitled to all privileges to which a witness in a trial before a Court is entitled.
- (5) In respect of the compulsion of a witness, the Tax Assessment Review Committee (TARC), shall have the same power as that of a court.
- (6) The Tax Assessment Review Committee (TARC) may confirm, reduce, increase or annul the assessed value.
- (7) Appeal from a decision of the Tax Assessment Review Committee (TARC), may be made to the High Court of Edo State within twenty-one (21) days of the decision of Tax Assessment Review Committee.

**16. Conditions of Appeal**

An appeal shall not lie unless:

- a. Notice is given in the prescribed manner to the Tax Assessment Review Committee (TARC);
- b. A minimum of 10% of the Assessment has been paid.

**17. Assessment to be Final and Conclusive**

Where no valid objection or appeal has been lodged within the time limit by Section 15(2) of this Law, or where due notice has not been given of a further appeal against a decision of the Tax Assessment Review Committee (TARC), or a judge as the case may be, an assessment as may be agreed to under the provisions of this Law, shall be final and conclusive for all purposes of the law as regards classification of the property, the amounts of the assessed value, the applicable rate and the Land Use Charge due and payable on the property.

**18. Land Use Charge Collections Fund**

- (1) The Commissioner for Finance shall establish and maintain a Fund to be known as the Land Use Charge Collection Fund for payments deposited in all designated banks.
- (2) At the beginning of each month, the Commissioner for Finance shall determine the total amount of Land use Charge payments deposited in designated banks opened in accordance with this law.
- (3) The Commissioner for Finance shall, not later than ten (10) days after the beginning of each month pay to each Local Government Council in the State, its agreed share of the Land Use Charge Collection Fund.



- (4) The share to be paid by the Commissioner of Finance to each Local Government Council, shall be net of the agreed sum of Land Use Charge collected from each Local Government Area after deducting a minimum of 5% of total collection as cost of collection, which shall be payable to the Internal Revenue Service of Edo State.

**19. Recovery of Charge Owning**

The Commissioner for Lands, Survey and Housing may apply to a court to:

- a. Recover sums payable under this Law;
- b. Recover from the estate of a deceased person any Land Use Charge or penalty incurred under this Law by the deceased person prior to his death;
- c. Attach a person's earnings and/or goods where a court has made a liability order against that person.

**20. Non-Compliance with the Law, Obstruction of Officials and Damage of Property Identification Plagues.**

Any person who:

- a. Refuses or neglects to comply with any provision of this Law when required to do so by the property identification officer or an assessor; or
- b. Prevents, hinder or obstruct any property identification officer or an assessor in the course of his lawful duty; or
- c. With intent to obliterate relevant records, removes from or damage or destroys a property identification plague on any property or building;

Commits an offence and shall be liable on summary conviction to a fine of One Hundred Thousand Naira (N100, 000.00) in the case of an individual and Five Hundred Thousand Naira only (N500, 000.00) in the case of corporate body or to a term of imprisonment for a period of three (3) months or both.

**21. Penalty for Misrepresentation**

Any person who misrepresents or assists any other person to misrepresent in any way his or that person's chargeable capacity or property value, commits an offence and shall be liable on conviction to a fine of not more than One Hundred Thousand Naira (N100, 000.00) in the case of an individual and Five Hundred Thousand Naira N500, 000.00) in the case of corporate body as fine or imprisonment of 3 months or both.

## 22. Penalties

- (1) Where a person who has received a Land Use Charge Demand Notice fails to pay the amount charged within the period specified in the Notice, liability shall be increased as follows:

Principal sum of liability plus the following:

- a. Between 45 and 75 calendar days – 10% of amount charged.
- b. Between 75 and 105 calendar day – 20% of amount charged.
- c. Between 105 and 135 calendar days – 30% of amount charged.

- (2) If payment of the entire amount due is not made after 135 calendar days, the State or Collecting Agency, may proceed to a court of competent jurisdiction for the recovery of same plus interest of 31%.

## 23. Regulations Prescribing Procedure

Subject to the approval of the State Executive Council, the Governor may make regulations generally for carrying into effect the purpose of this law.

## 24. Application of other Laws

On and from the date when Land Use Charge is levied on a property in accordance with this law, the provisions of the Tenement Rates law and any amendments made pursuant thereto, shall cease to apply to that property.

## 25. Indemnification of Agent

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

## 26. Revision in case of objection

- (1) If a person disputes the valuation of his property and the assessed Land Use Charge as indicated on the Demand Notice served on him, he may apply to the Collecting Authority by notice of objection in writing, to review and to revise the assessment and the application shall state precisely the grounds of objection to the assessment and shall be made within fourteen (14) days from the date of service of the notice of assessment.
- (2) On receipt of the notice of objection, the Collecting Authority may require the



person to furnish such particulars and to produce such books or other documents as well as summon any persons who may be able to give information which is material to the determination of the objection to attend for examination by an officer of the Authority on oath or otherwise.

- (3) If a person who has objection to an assessment agrees with the relevant tax authority as to the valuation of his property or the amount of Land Use Charge payment, the agreed assessment shall be served on the person.

Provided that if an applicant for revision under the provision of this subsection fails to agree with the Collecting Authority shall give notice of refusal to amend assessment as desired by the applicant and may revise the valuation or assessment to such amount as the Authority may, according to the best of its judgment, determine and give notice of the revised valuation or assessment and that of the Land Use Charge payable.

## 27. Interpretations

In this Law:

'Building' includes anything constructed or placed in, over or under land but does not include highway or road, or a bridge that forms part of a highway or road;

'BIR' means the Edo State Board of Internal Revenue;

'Chargeable' means an assessed amount on property 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;

'Collecting Authority' means the Authority set up by the Commissioner for Lands, Survey and Housing to assess, collect and administer Land Use Charge in accordance with the instrument of delegation executed pursuant to Section 5 (2) of this law;

'Designated Bank' means a company carrying out banking activities as provided for under the law and listed by the Commissioner for Finance as a bank that may collect on behalf of the Government, any Land Use charge payable under this Law;

'Exempt Property' means any property of a class described under Section 9 of this Law;

'Financial Year' means a period of twelve months beginning from January 1 and ending on December 31st of same year;

'Governor' means the Governor of Edo State;

'Improvement to a 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;

'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, shall include not only the person in actual occupation of the whole or part of such property, but any person in beneficial occupation, whether or not for pecuniary benefit.

'Owner' in relation to any property shall include the person for the time being receiving the rent or other benefit of the property, 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 State grant whether under a lease, license or other arrangement;

'Real' Property' includes:

- i. a parcel or land;
- ii. an improvement on the land; or
- iii. a wharf or pier;

'State' means Edo State Government;

'Structure' means a building or other things erected or placed in, on, over or under land whether or not it is affixed to the land.

'Tax Assessment Review Committee (TARC) means Tax Assessment Review Committee (TARC) established under Section 13 of this Law.

## **Schedule**

## **Section 6(2)**

Charge rate for the Financial Year	
Commercial property	0.422%
Residential Property (Commercial)	0.20%
Industrial Premises of Manufacturing Concern	0.25%
Owners Occupied Residential Property	0.04%



This printed impression has been compared by me with the Law which has been passed by Edo State House of Assembly and found by me to be true and correctly printed copy of the said Law.

*J* 6-12-12

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Clerk of the House of Assembly

Assented to by me this *7<sup>th</sup>* ..... day of *dec* ..... 2012

*Ameh*  
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Governor of Edo State of Nigeria

Assent withheld by me this ..... day of ..... 2012

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Governor of Edo State of Nigeria