

CHAPTER L79
LAND USE CHARGE LAW
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CHAPTER L79

LAND USE CHARGE LAW

A LAW TO MAKE PROVISION FOR THE CONSOLIDATION OF ALL PROPERTY AND LAND BASED RATES AND CHARGES PAYABLE UNDER THE LAND RATES LAW, THE NEIGHBOURHOOD IMPROVEMENT CHARGE LAW AND TENEMENT RATES LAW IN LAGOS STATE INTO A NEW LAND BASED CHARGE, TO BE CALLED PROPERTY LAND USE CHARGE, TO MAKE PROVISION FOR THE LEVYING AND COLLECTION OF THE CHARGE AND FOR CONNECTED PURPOSES.

[Commencement]

[22nd June 2001]

THE LAGOS STATE HOUSE OF ASSEMBLY enacts as follows:

1. Land Use Charge

(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 Area in the State will be the collecting authority and it will be the only body empowered to levy and collect Land Use Charge for its area of jurisdiction.

(3) Each collecting authority may delegate to the State, by written agreement, its functions with respect to the collection of rates and the assessment or privately-owned houses or tenement for the purpose of levying such rate as may be prescribed under this Law.

2. Property liable to charge

Land Use Charge will be payable in respect of any property that is not exempt under section 7 of this Law.

3. Identification or assessment of a property

(1) The Commissioner for Finance 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), the Commissioner for Finance may appoint such property identification officers, qualified assessors and other persons as may be considered necessary.

(3) For the purpose of carrying out the identification or assessment of a property, the identification officers or assessors or their authorised assistants may, on any day between the hours of 7.00 a.m. and 5.00 p.m.—

- (a) enter, inspect, survey and assess the property;
- (b) request for documents or other information to be produced to the identification officer or assessor;
- (c) take photographs; and
- (d) make copies of necessary documents of the inspection.

4. Persons liable to pay charge

The owner of the property is liable to pay Land Use Charge in respect of any taxable property.

5. Value of annual Charge rate

(1) The following formula will be used to determine the annual amount of the Land Use Charge payable for any property under this Law—

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

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 metres

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

BA = the total developed floor area of building on the plot of land in square metres, 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 metre in Naira.

PCR = the Property Code Rate for the building and which accounts 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.

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

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

(3) The values of the Property Code Rate will be set by the Commissioner for Finance 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.

6. Payment of Charge

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

7. Properties exempted from payment of Land Use Charge

- (1) The following properties will be exempted from payment of Land Use Charge-
 - (a) a property owned and occupied by a religious body and used exclusively for public workshop or religious education;
 - (b) cemeteries and burial grounds;
 - (c) a recognised and registered institution or educational institute certified by the Commissioner for Finance to be non-profit making;
 - (d) property used as public library;
 - (e) any property specifically exempted by the Executive Governor by notice published in the State Government Official Gazette;
 - (f) all palaces of recognised Obas and Chiefs in the State.

(2) The Commissioner for Financial may, by notice published in the State Government Official Gazette grant partial relief for a property that is—

- (a) occupied by a non-profit making organisation and used solely for community games, sports, athletics or recreation for the benefit of the general public;
- (b) used for a charitable or benevolent purpose for the benefit of the general public and owned by the State Government, Local Government, Federal Government or a non-profit making organisation.

8. Loss of exemption

(1) An exempt property or part of an exempt property will become liable for Land Use Charge if the—

- (a) use of the property changes to one that does not qualify for the exemption, or
- (b) 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 will be pro-rated 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.

9. Land Use Charge Demand Notice

(1) The Commissioner for Finance will 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 will be delivered to the owner or occupier

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

(4) The person liable to pay the amount of Land Use Charge on the demand notice must within thirty (30) calendar days after the date of delivery of the Land Use Charge Demand Notice pay that amount at one of the designated banks specified in the Demand Notice.

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

10. Power to appoint Agent

The collecting Authority may by notice in writing appoint any person including any occupier of chargeable property to be an agent of the owner and the person declared agent of the owner for the purposes of this Law, may be required to pay the Land Use Charge which is or will be payable by the owner from any moneys which may be held by the agent for or due by or to become due by the agent to the owner and in default of such payment the charges will be recoverable from the agent.

11. Indemnification of Agent

Every person liable under this Law for payment of Land Use Charge on behalf of an owner may retain out of any money in hand on behalf of or becoming due to the owner as may be sufficient to pay the charge, and will be indemnified against any person for all payments made by the person under this Law.

12. Establishment of an Assessment Appeal Tribunal

(1) The Governor will establish an Assessment Appeal Tribunal which shall consist of not less than fifteen (15) members.

(2) The Governor will appoint one of the members of the Tribunal as its Chairman.

(3) A minimum of three (3) members will constitute a panel of the Tribunal.

(4) Members of the Tribunal will hold office for such period as may be prescribed by the Governor and be paid such allowances as the Governor may, from time to time determine.

13. Power of Assessment Appeal Tribunal

The Assessment Appeal Tribunal may—

- (a) by summons, require the attendance of any person, examine the person 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 document 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 25 per cent of payable charge.

14. Appeal against Assessment

- (1) A person may appeal to the Tribunal if aggrieved by—
 - (a) a decision that the property is a chargeable property; or that the person is liable to pay Land Use Charge in respect of such property; or
 - (b) any calculation of an amount which the person is liable to pay as land Use Charge, and the Tribunal will make such decision as it deems fit.
- (2) The time allowed for an appeal to the Tribunal is thirty (30) days after the date of delivery of the demand notice.
- (3) The onus of proving an excessive assessment of a property lies on the owner.
- (4) A person giving evidence before the Tribunal will, in respect of any evidence given or any document required to be produced, be entitled to all the privileges to which a witness in a trial before a Magistrate Court is entitled.
- (5) In respect of the compulsion of witnesses, the Assessment Appeal Tribunal will have the 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 Assessment Appeal Tribunal may be made to the High Court.

15. Conditions of Appeal

An Appeal will not lie unless—

- (a) notice is given in the prescribed manner to the Commissioner for Finance
- (b) the prescribed fee is paid to the Assessment Appeal Tribunal;
- (c) in the case of a person aggrieved with the property assessment—
 - (i) 50 per cent of the amount of the assessed Land Use Charge being disputed is deposited directly into the State Government Assessment Appeal Account which will be maintained by the Commissioner for Finance at a designated bank;

- (ii) the appellant has produced to the Tribunal the receipt for the payment of the amount from the bank and such receipt has been confirmed by the Commissioner for Finance as valid.

16. Land Use Collection Fund

(1) The Commissioner for Finance will establish and maintain a fund, to be known as the Land Use Charge Collection Fund, consisting of all Land Use Charge payments deposited in each designated bank in accordance with is Law.

(2) At the beginning of each month, the Commissioner for Finance will determine the total amount of Land Use Charge payments on deposit in the designated banks.

(3) The Commissioner for Finance will, not later than ten (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 and standing on deposit in designated banks.

(4) The share to be paid by the Commissioner for Finance to each Local Government Council will 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.

17. The Commissioner for Finance 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 person's goods where a Court has made a liability order against that person.

18. Non-compliance with the Law, obstruction of officials and damage to property indemnification plaques

Any person who—

- (a) refuses or neglected to comply with any provision of this Law when required to do so by the property indemnification officer or an assessor;
- (b) prevents, hinders, or obstructs any property identification officer to an assessor in the course of his lawful duty;
- (c) removes from, damages or destroys a property identification plaque on any property or building; commits an offence and will be liable on

conviction to a maximum fine of One Hundred Thousand Naira (₦100,000.00) or to a term of imprisonment for a period of three (3) months or both.

19. Penalty for 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 the chargeable capacity commits an offence and will be liable on conviction to a maximum fine of One Hundred Thousand Naira (₦100,000.00) or to an imprisonment for a period of three (3) months or both.

20. Default in payment of the Land Use Charge

(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 will be increased by the following percentage—

- (a) between 45 calendar days and 75 calendar days—25%
- (b) between 75 calendar days and 105 calendar days—50%
- (c) between 105 calendar days and 135 calendar days—100%

(2) If payment is not made after 135 calendar days, the property on which the Land Use Charge is payable will be liable to receivership by the State or its appointed agent until all outstanding taxes, penalties and administrative charges as paid.

(3) The owner is however entitled at any time to apply to the Commissioner for a release of the property and other moneys accruing on payment of the outstanding taxes, penalties and administrative charges.

Provided that where rights or liabilities have been created under the receivership directly related to generate income necessary to effect the payment of the outstanding taxes, penalties and administrative charges before repayment by the owner the owner shall assume all such rights or liabilities.

(4) Whenever property comes under receivership as provided is subsection (2), such property will be advertised as being under receivership in at least two (2) national newspapers.

21. Regulations prescribing procedure

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

22. 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 Assessment Law, Land Rates Law, Neighbourhood Improvement Charge Law and Tenement Rates Law and any amendments made pursuant to it shall cease to apply to that property.

23. Interpretations

In this Law-

“**Assessment Appeal Tribunal**” means the Assessment Appeal Tribunal established under 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 forms 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 an appointed successors-in-title, assigns, executors and administrators;

“**Chargeable property**” means any property in respect of which Land Use Charge is payable.

“**Commissioner**” means Commissioner for Finance, Lagos State‘

“**Designated Bank**” means a company carrying out banking activities as provided for under the Law and listed 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 7;

“**Financial year**” means any period of twelve (12) months beginning from January 1 and ending on the subsequent December 31;

“**Governor**” means the Governor of Lagos State;

“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;

“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 although this does not mean it must be of pecuniary benefit and it does not include a lodger.

“Owner” in relation to any property includes the person for the time being receiving the property in connection with which the word is used, whether on 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;

“Receiver” any person or company appointed by the Commissioner to recover the outstanding taxes, penalties and administrative charges under this Law

“Real property” includes—

- (i) a parcel of land;
- (ii) an improvement;
- (iii) a parcel of land and improvement; or
- (iv) a wharf or pier.

“Land Use Charge” includes all property and Land Based Rates and Charges payable under the Land Rates Law, the Neighbourhood Improvement Charge Law and the Tenement Rates Law;

“State” means Lagos State of Nigeria

“Structure” means a building or other thing erected or place in, on, over or under land whether or not it is affixed to the land;

24. Short title

This Law may be cited as the Land Use Charge Law 2001 and will come into force on 22nd June 2001.

THE LAND USE CHARGE LAW, 2001
ANNUAL CHARGE RATES NOTICE, 2001

[Commencement]

[13th August 2001]

In exercise of the powers conferred by section 5 (2) of the Land Use Charge Law, 2001 and of all other powers enabling him in that behalf, the Lagos State Commissioner for Finance makes the following Notice:

NOTICE IS GIVEN that:

1. In accordance with the provisions of section 5(2) of the Land Use Charge Law, the Commissioner for Finance hereby sets the value of the Annual Land Use Charge Rates for the State of Lagos. The Annual Land Used Charge Rate to be applied to eligible property in Lagos State will be between 0% and 3.5% of the assessed Property Value. Such Land Use Charge Rates shall remain in effect until further Notice.

2. This Notice may be cited as the Annual Charge Rates Notice, 2001 and will be deemed to come into force on 13th day of August 2001

DATED 6th August 2001

THE LAND USE CHARGE LAW NO. 11 OF 2001
ANNUAL CHARGE RATE NOTICE, 2002

[Commencement]

[1st January 2002]

In exercise of the powers conferred by section 5(2) of the Land Use Charge Law, 2001 and all other powers enabling in that behalf, the Lagos State Commissioner for Finance makes the following Notice:

NOTICE IS GIVEN that:

1. In accordance with the provisions of section 5(2) of the Land Use Charge Law, the Commissioner for Finance sets the value of the Annual Land Use Charge Rates in the State of Lagos for the 2002 financial year;

The Annual Land Use Charge Rates to be applied to eligible property in Lagos State will be as follows:

- (i) Owner-Occupied Residential Property—0.15% per annum of the Assessed Property Value;

- (ii) Owner-Occupied Pensioner's Property—Exempted from Land Use Charge.
- (iii) Industrial Premises of Manufacturing Concerns—0.5% per annum of the Assessed Property Value.
- (iv) Residential Property/Commercial—0.65% per annum of the Assessed Property Value;
- (v) Commercial Property (Used by occupier for Business Purposes)—1.75 per annum of the Assessed Property Value;
- (vi) Family Compounds—Exempted from Land Use Charge.

Properties exempted from Land Use Charge may be subject to other rates or charges under other existing Laws of the State.

2. This Notice may be cited as the Annual Charges Rates Notice 2002 and will come into force on 1st January 2002.

Dated 12th December 2001.