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CHAPTER T2

TENEMENT RATES LAW

A Law to make provisions for the levying and collection of tenement rates on tenements and buildings in Lagos State and for other purposes connected therewith.

[1989 No. 10.]

[3rd January, 1989]

[Commencement.]

Part 1

Establishment of the Lagos State Valuation Office

1. Establishment of the Lagos State Valuation Office

(1) There is hereby established in the State the Lagos State Valuation Office (hereinafter referred to as “the Valuation Office”) which shall carry out assessment of all rateable properties in the State.

(2) The Valuation Office shall have Zonal Offices in each Local Government Area in the State.

(3) For the purposes of this Law each Local Government in the State shall be the rating authority for its area of jurisdiction.

(4) The rating authority shall be the only body in its area of jurisdiction empowered to levy and collect rates under this Law.

(5) The Valuation Office shall consist of the Director of Valuation and such number of other staff as may be required to assist the Director in the execution of his duties under this Law.

(6) The members of staff of the Valuation Office shall be members of the State civil service.

2. Appointment of the Director of Valuation

(1) The Governor shall appoint the Director of Valuation who shall be both the professional and administrative head.

(2) The Director of Valuation appointed under this Law shall be responsible to the Permanent Secretary, Deputy Governor's Office.

3. Functions of the Valuation Office

The Valuation Office shall be responsible for—

(a) the identification, survey and valuation of rateable properties in the State for the compilation of the Valuation List;

(b) nomination or appointment and supervision of professional advisers for valuation of rateable properties in the State.

4. Appointment of appraisers

(1) The Director of Valuation in consultation with the Permanent Secretary, Deputy Governor's Office may appoint persons to be appraisers who shall be qualified Estate Surveyors and Valuers, registered by the Estate Surveyors and Valuers Registration Board of Nigeria, for the purposes of this Law.

(2) The persons appointed under subsection (1) of this section shall be subject to and under the control and supervision of the Director of Valuation.

5. Powers of the appraiser

An appraiser may—

(a) require any person to give all such information orally or in writing as he may require which may affect the assessed value of a tenement so as to ascertain and assess the property;

(b) call upon any person liable to pay rate upon a tenement to exhibit to him any accounts, receipts for rent, rent books, or other documents required in connection with valuation of a tenement;

(c) on any day (except a non-working day) between the hours of eight o'clock in the morning and six o'clock in the afternoon, enter into or upon any tenement for the purpose of making a valuation thereof, and take such measurements and other particulars as he may deem necessary for the purpose;

(d) call upon the occupier of any tenement for his or her name, and where the occupier is not the owner, the name and address of the owner as well;

(e) require the owner, occupier or agent of any tenement actually rented to make a declaration in writing as to the yearly rent paid or payable for the same; and

(f) require the owner, occupier or agent for any tenement to inform him as to the boundaries of the tenement.

6. Powers of the rating authority

The rating authority may—

(a) demand and collect tenement rates from owners or occupiers of tenements and buildings after due notice of demand has been sent to them;

(b) call upon any person liable to pay rate upon tenements to exhibit to it any accounts, receipts for rents, rent books or other documents required in connection with the valuation of a tenement;

(c) call on the occupier if he is not the owner, to furnish the name and address of the owner.

PART 2

Assessment and Collection of Tenement Rates

7. First General Assessment

(1) As soon as practicable after the appointment of the Director of Valuation, the Director shall cause the value of every tenement subject to rate in the State to be ascertained and assessed by appraisers, and such assessment shall be known as the First General Assessment.

(2) Not less than one in every five years after completion of a General Assessment, the Director of Valuation shall cause a new general assessment to be made in the

manner provided under subsection (1) of this section, of every tenement subject to rate in the State.

8. Preparation of Valuation List

As soon as a first day or any subsequent general assessment shall have been completed, the appraiser shall make a list of the several tenements assessed and their respective valuation to be made and shall submit same to the Director of Valuation for signature subject to any alteration which may be made on the order of the Assessment Appeal Tribunal or a Magistrate's Court.

9. Publication of Valuation List and place for public inspection

The Valuation Office, after the preparation of the Valuation List or an amendment to a Valuation List, shall—

(a) give notice in the State Official Gazette or in any of the widely read daily newspapers of the fact that a Valuation List has been prepared and as to the place at which it may be inspected; and shall make available the List, for inspection at the place mentioned during ordinary office hours for twenty-one days from the date of the publication of such notice; and

(b) serve upon the owner of each tenement contained in the Valuation List a notice showing the assessed value thereof.

10. Period during which Valuation List in force

Subject to any alteration which may be made on order of the Assessment Appeal Tribunal or a Magistrate's Court—

(a) a Valuation List prepared on a General Assessment shall, for the purpose of any rate to be levied in respect of the tenement assessed, be the Valuation List for the year in which the same is published and for the next following year;

(b) in any other year the Valuation List as amended and in force at the commencement of the year shall, for the purposes of any rate to be levied in respect of the tenement assessed, be the Valuation List.

11. Annual Assessment

(1) In every year in which there is no General Assessment the Director of Valuation shall, in the month of January, or as soon as may be convenient thereafter, cause a copy of the existing Valuation List to be prepared with such additions or alterations only as are necessary to give effect to any new assessment or reassessment of tenements—

(a) which, whether by building, destruction of building, or other alteration in structural condition, their assessed value has been increased or reduced; or

(b) which being rateable or about to become rateable have not been assessed; or

(c) in respect of which any person claiming to be the owner thereof shall have delivered to the rating authority a written request for re-assessment on or before the first day of the preceding January to be ascertained and assessed.

(2) Such Valuation List when prepared shall be signed by the Director of Valuation and subject to any alteration which may be made on the order of the Assessment Appeal Tribunal or a Magistrate's Court shall be the Valuation List for the year for which the then existing List has been made.

12. Notice and Exhibition of the Valuation List

Notice of the preparation of the Valuation List mentioned in section 11 of this Law and of the place at which the same may be inspected shall be given in the manner prescribed by section 9 and the said List shall be open for inspection for the same period as a List of the first or subsequent General Assessment.

13. Exemptions from assessments and rating

(1) The following tenements shall be exempted from assessment and rating—

(a) all land and buildings used exclusively for the purposes of public worship;

(b) cemeteries and burial grounds;

(c) recognised and registered institutions or educational institution certified, by the Commissioner for Finance and Economic Development or Commissioner for Education Youth, and Sports or Commissioner for Health and Social Welfare as the case may be, to be non-profit making;

(d) any tenement specifically exempted by the Governor by notice in the State Official Gazette as authorised by the State Executive Council; and

(e) all palaces of recognised Obas and Chiefs of the State.

(2) The Governor may by notice published in the State Gazette grant partial relief to tenements in certain parts of the State—

(a) certified by the Director of Valuation as being of very poor construction, very low value or of transient or temporary nature; or

(b) belonging to recognised and registered charitable institution or educational institution certified by the Commissioner for Finance and Economic Development or the Commissioner for Education Youth and Sports and Social Development or the Commissioner for Health and Social Welfare as non-profit making under paragraph (c) of section 13 (1) of this Law.

14. Basis of valuation

(1) For the purposes of this Law all properties in the State shall be valued by reference to the Gross Value.

(2) The rateable value shall be arrived at by deducting an amount from the Gross Value. Such amount shall reflect the outgoings that will be incurred to earn the Gross Value.

15. Method of assessment

(1) In assessing a tenement an appraiser shall, in determining the Gross Value take cognisance of either the actual rent passing on the tenement or of rent of comparable tenements within the vicinity which have been properly analysed by him.

(2) Where it is apparent to an appraiser either that a tenement cannot be valued by reference to a direct rent by reason of the special nature of such property or due to the paucity of rental evidence for such tenement in the particular area, the appraiser may decide to use the “Depreciated Replacement Cost” method or any other relevant method as appropriately described elsewhere in this Law.

(3) Notwithstanding the provisions in any other State legislation appraisers shall take cognisance of either the open market rent or the actual rent passing in determining the Gross Value of residential properties.

16. Depreciated Replacement Cost

(1) Before arriving at the Depreciated Replacement Cost of a tenement an appraiser shall—

- (a) determine the Current Replacement Cost of the tenement; and
- (b) deduct an amount from the Current Replacement Cost, to allow for age and obsolescence.

(2) The appraiser shall rely on his experience and judgement in determining the amount to be deducted.

(3) To arrive at the Gross Value the resultant Depreciated Replacement Cost shall be devalued. The figure arrived at shall be treated in the manner prescribed in subsection (2) of section 14 to arrive at the rateable value.

17. Contractor's method and Profits method

Properties which cannot be valued by comparative method because they are never let, shall be valued by either the Contractor's Method embracing the Current Replacement Cost or the Profits Method.

18. Uniformity of assessment

For the purpose of ensuring uniformity of assessment the appraiser shall, in determining the rateable value of a tenement, either by reference to annual rent or Current Replacement Cost, have regard to the level of rent prevailing in that locality, for the particular type of tenement or of the Building Costs in the locality for that particular class of tenement.

19. Assessment of public utility corporation

Assessment in respect of tenement occupied by public utility corporations other than tenements used as dwelling houses, shall be by the Depreciated Capital Value (hereinafter referred to as "Depreciated Replacement Costs") of such tenement.

20. Assessment of parts of place only

(1) In the case of any General Assessment, when the assessment of the tenements in any part of a Local Government Area is to be made or has been completed, the Director of Valuation may, if he thinks fit, and shall if so directed by the Governor,

make out, sign and deliver the List required by section 8 in respect of that part of the Local Government Area without awaiting the completion of the assessment of the whole place.

(2) Such List shall, in relation to the portion of the Local Government Area to which it refers, have the same effect and shall be dealt with in the same manner as a List submitted by the Valuation Office under section 8.

21. Calculation of rate

(1) A rate upon tenement other than tenements referred to in section 19 to be assessed at their Depreciated Replacement Cost shall be at a uniform rate per naira of the assessed value provided that such uniformity shall be restricted to the particular Local Government Area in the State.

(2) A rate upon tenement required by section 19 to be assessed at their Depreciated Replacement Cost shall be determined by first applying an amount represented by five per cent of the Depreciated Replacement Cost.

(3) The amount arrived at shall represent the rateable value after deductions as determined in section 14 of this Law.

(4) The uniform rate per naira referred to in subsection (1) of this section shall be applied to the rateable value as determined.

PART 3

Objections to Valuation List

22. Notice of objection

(1) Any owner or occupier of a tenement who may be dissatisfied with the valuation of such tenement as appearing in the Valuation List may lodge with the Director of Valuation a notice of objection:

Provided that such notice shall be lodged within the period during which the Valuation List is open for public inspection as provided in either section 9 or 12 of this Law.

(2) The notice of objection shall state fully the grounds on which the objection is made, and the objector shall cause a copy thereof to be served on the relevant Local Government in whose area of jurisdiction the tenement is situated.

(3) The person lodging an objection shall deposit with the said Local Government a sum equal to 50% of the amount of rate due pending the determination of the objection, such deposit shall be credited to the rate payer's account and shall be used to off-set part of the whole of the rate depending on the outcome of the objection.

23. Notice of hearing of objection

If a notice of objection with the prescribed sum is lodged within the prescribed period the Assessment Appeal Tribunal shall give notice to the objector and to the Director of Valuation of the date and place at which the objection will be heard.

PART 4

Appeals

24. Assessment Appeal Tribunal

The Governor may establish Assessment Appeal Tribunals which shall have jurisdiction to hear and determine appeals in respect of objections to the Valuation List in a Local Government Area.

25. Membership Assessment Appeal Tribunal

(1) An Assessment Appeal Tribunal shall consist of three members appointed by the Governor.

(2) The Governor shall appoint one of the members of the Assessment Appeal Tribunal as its Chairman.

(3) Members of the Assessment Appeal Tribunal shall hold office for such period as may be prescribed by the Governor.

(4) Members of the Assessment Appeal Tribunal shall be paid such allowances as the Governor may from time to time determine.

26. Appeals

The owner or occupier of a tenement aggrieved by the Valuation List may appeal against the decision to the Assessment Appeal Tribunal.

27. Time of appeal

The time allowed for an appeal shall be thirty days after service of notice of assessment.

28. Onus of proof

The onus of proving that a valuation of a tenement is excessive shall lie on the owner or occupier aggrieved the valuation.

29. Decision of Assessment Appeal Tribunal

An Assessment Appeal Tribunal may confirm, reduce, increase or alter or annul the valuation.

30. Power of Assessment Appeal Tribunal

An Assessment Appeal Tribunal may—

(a) by summons, require the attendance of any person and may examine him for the purpose of an appeal before it and may require answers to any questions which it may deem fit to put concerning the matter before it;

(b) require and enforce the production of all books, papers and documents which it may consider necessary;

(c) administer oath and affirmations.

31. Representation of Director of Valuation

The Director of Valuation may, in the case of any appeal against a valuation of a tenement be represented by an appraiser or any other person appointed by him in writing or a legal practitioner.

32. Further appeals to Magistrate's Court

An appeal against the decision of an Assessment Appeal Tribunal shall lie to a Senior Magistrate's Court or a Chief Magistrate's Court—

(a) at the instance of an appellant other than the rating authority;

(b) at the instance of the rating authority where the decision of the Assessment Appeal Tribunal is in respect of a matter in which the rating authority claims that the correct valuation was in the sum of N600 or more;

(c) the cost of an appeal shall be at the discretion of the Magistrate's Court.

33. Conditions for appeal

An Appeal shall not lie unless—

(a) notice is given in the prescribed manner to the rating authority or to the person assessed;

(b) fee prescribed is paid;

(c) in the case of a person aggrieved with his tenement rating at least one-half of the assessed rate being disputed is deposited with the rating authority.

PART 5

Demand and Collection of Rates

34. Procedure for the demand and collection of rates

(1) A rating authority shall give notice of every rate demanded by it and of the day on which such rate shall become due and payable.

(2) A notice under subsection (1) of this section may be given by—

(a) affixing a copy of the notice in a public or conspicuous place within the area of jurisdiction of the rating authority; or

(b) publishing a copy of the notice in one or more daily newspapers circulating in the area of jurisdiction of the rating authority.

35. Surcharges

(1) Where notice has been given of the demand of a rate that has been due under section 34 of this Law, a person liable to pay rate shall pay the amount of rate due to the rating authority or its agents, authorised to collect the amount of rate due when paid.

(2) Any person liable to pay rate shall pay the amount of rate due not later than the date specified in the notice.

(3) Where any rate remains unpaid for three months from the date it became due and payable, a surcharge calculated from the day following the expiration of such three months shall be charged and recovered by the rating authority at the rate of ten per cent per annum for each month for which the rate remains unpaid.

36. Liability to pay rate on tenements

(1) Occupiers or subsequent purchasers of a tenement shall be primarily liable while owners of such tenement or his agent shall be secondarily liable for the payment of rate except in cases where the owner also resides in the premises and in such cases the owner becomes primarily liable.

(2) Notwithstanding the provision in subsection (1) of this section if the rating authority believes that the collection of rates from occupiers of a property in multi-occupation will present problems or that it is uneconomical to bill individual tenants the rating authority could make the owner primarily liable.

(3) Every rate demanded and levied upon a tenement shall except in the case of tenement vested in the State or a Local Government be a charge against the tenement rated.

37. Rate collectors

(1) The rating authority may appoint rate collectors.

(2) A person shall not be appointed a rate collector without his consent except he is an employee of the rating authority.

38. Duties of a rate collector

(1) A rate collector shall—

(a) collect and receive rates, including surcharge, from a person liable for the payment of rates in the area in which the rate collector has been posted;

(b) make returns and furnish information on the rates including surcharge, which he is required to collect;

(c) pay all the amount of rates including surcharges collected to the rating authority;

(d) comply with the directions of a rating authority in the performance of his duties under this Law.

39. Claim for amount of rate by rating Authority

A claim for the amount of rate payable under the provisions of this Law shall be prior to all other claims against the person liable to pay the rate, except claims by the State or Federal Government.

40. Valuation Court

(1) Where a person fails to pay a rate for which he is liable by the date on which it is payable, the rating authority may:

(a) take the rate defaulter to the Valuation Court which for the time being has been retained as a standing tribunal for this purpose, to obtain judgment against the rate defaulter;

(b) the judgment obtained shall;

(i) order the rate payer to pay the rate within 21 days from the date the judgment was given;

(ii) empower the relevant Local Government to distrain any property belonging to the rate payer in satisfaction of the claim, if the rate payer still refuses to comply with the judgment of the Court obtained above;

(iii) empower the relevant Local Government to recover the rate due and payable as a civil debt together with any surcharge due and costs.

(2) The Valuation Court shall—

(a) have jurisdiction of a Magistrate's Court;

(b) be presided over by a legal practitioner of not less than five years experience.

(3) Appeal from a Valuation Court shall go to a Chief Magistrate's Court.

41. Power of the Governor to make regulations under this Part

The Governor may make regulations providing for—

- (a) the procedure to be used by the Assessment Appeal Tribunals;
- (b) the procedure to be used by the Valuation Court when hearing cases of rate defaulters;
- (c) the form of Valuation Lists;
- (d) the fees to be paid in respect of appeals;
- (e) the remuneration of members of Assessment Appeal Tribunals;
- (f) any other matter that he is authorised to prescribe by regulations.

PART 6

Offences Relating to Rates

42. Offences in relation to rates

Any person who—

- (a) fails to comply with the provisions of section 5 of this Law; or
- (b) without reasonable excuse makes an incorrect return by omitting or understating an income which he is required to make under this Law; or
- (c) refuses or neglects to comply with any of the provisions of this Law when required to do so by a rating authority or an appraiser; or
- (d) prevents, hinders or obstructs any employee or agents of a rating authority of the Valuation Office in the cause of his lawful duty from entering, inspecting or measuring any tenement;

shall be guilty of an offence and shall be liable on summary conviction to a fine of N500.00 or to imprisonment for a period of three months.

43. Disobedience to summons of Assessment by Assessment Appeal Tribunal

(1) Any person who having been served with summons by an Assessment Appeal Tribunal under the provisions of section 32 of this Law³⁴

(a) refuses or omits without sufficient cause to attend at the time and place mentioned in the summons; or

(b) refuses to take oath or affirmation; or

(c) refuses without sufficient cause to answer fully and satisfactorily to the best of his knowledge and believe all questions put to him by the Assessment Appeal Tribunal; or

(d) refuses or omits, without sufficient cause to produce any documents in his possession or under his control which are mentioned in the summons;

shall be guilty of an offence and shall be liable on summary conviction to a fine of N500.00.

(2) A person giving evidence before a Valuation Court 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's Court is entitled in respect of evidence given by him or a document he is required to produce before any Magistrate's Court.

44. Penalty for inciting a person to refuse to pay rate

Any person who without lawful justification or excuse^{3/4}

(a) incites any person to refuse to pay any rate by him under this Law on or before the day on which it is payable; or

(b) incites or assists any person to misrepresent in any way his rateable capacity;

shall be guilty of an offence and shall be liable on summary conviction to a fine of N500.00 or to imprisonment for a period of three months.

45. Penalty in respect of illegal collection of rate

Any person who^{3/4}

(a) not being authorised under this Law by the Director of Valuation or by the rating authority or not being a rate collector, collects or attempts to collect any rate imposed under this Law; or

(b) collects or attempts to collect any rate other than the rates which may be imposed under this Law or authorised by any other enactment;

shall be guilty of an offence and shall be liable on summary conviction to a term of one year imprisonment.

46. Penalty in respect of offence by rate collectors

Any rate collector who^{3/4}

(a) fails to deposit with the rating authority any sum of money collected by him as rates; or

(b) demands from any person an amount in excess of the duly assessed rates; or

(c) falsify receipts either by printing illegal receipts with intention to cheat the rating authority;

shall be guilty of an offence and liable on summary conviction to imprisonment for a period of three years without option of a fine.

47. Penalty for refusing to pay rates

Any person who without lawful justification or excuse refuses to pay rate payable by him on a tenement under this Law on or before the date on which it is payable, shall be liable to a fine not exceeding N500.00 or a term of imprisonment not exceeding one year in default of the payment of the fine.

48. Repeals

The Tenement Rates Edict 1985 and the Tenement Rates (Amendment) Edict, 1985 are hereby repealed.

49. Dissolution of the Lagos State Revenue Board

The Lagos State Revenue Board is hereby dissolved.

50. Transfer of the Staff of Lagos State Revenue Board to the Valuation Office

The persons who immediately before the commencement of this Law hold offices in the Lagos State Revenue Board shall be deemed, on the commencement of this

Law to have been duly appointed to such offices where there are corresponding offices in the Valuation Office.

51. Interpretation

In this Law unless the context otherwise requires^{3/4}

“Current Replacement Cost” means the cost of providing each individual item of the tenement new at the date of valuation;

“Depreciated Replacement Cost” shall be arrived at after necessary adjustments to the Current Replacement Cost to arrive at the value of the item of the tenement to the tenant as it actually exists at the date of valuation; these adjustments will be principally concerned with age and obsolescence including planning and layout;

“Gross Value” means the rent at which the tenement might reasonably be expected to let from year to year if the tenant undertook to pay all usual tenement rates and taxes and the landlord undertook to bear the cost of the repairs and insurance and the other expenses, if any, necessary to maintain the tenement in a state to command that rent;

“occupier” in relation to a tenement shall include not only a person in actual possession of the whole or any part of such tenement by person(s) in beneficial occupation, although this does not mean it must be of pecuniary benefit; and does not include a lodger;

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

“Profits Method” means the adjustment of the gross profit to net profit and applying a figure to the net profit to arrive at the rent to be paid to the landlord;

“Rateable Value” means the value at which assessed in accordance with this Law;

“State” means the Lagos State of Nigeria;

“tenement” means land with building on it which is held or occupied as a distinct or separate holding or tenancy or any wharf or pier but does not include land without buildings.

52. Citation and commencement

This Law may be cited as the Tenement Rates Law and shall be deemed to have come into force on the 3rd of January, 1989.