

ACTS SUPPLEMENT

to The Uganda Gazette No. 60 Volume XCVIII dated 22nd September, 2005.

Printed by UPPC, Entebbe, by Order of the Government.

Act 8

Local Governments (Rating) Act

2005

THE LOCAL GOVERNMENTS (RATING) ACT, 2005.

ARRANGEMENT OF SECTIONS.

Amended by  
Act 12 of 2006

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**THE LOCAL GOVERNMENTS (RATING) ACT, 2005.**

An Act to provide for the levy of rates on property by local governments within their areas of jurisdiction; to provide for the valuation of property for the purpose of rating; to provide for the collection of rates; to repeal the Local Government (Rating) Act and to provide for other related matters.

DATE OF ASSENT: 9th September, 2005.

*Date of Commencement:* See section 1(2). 1<sup>st</sup> Nov 2005 S.I. NO 74/05

BE IT ENACTED by Parliament as follows:

**PART I—PRELIMINARY.****1. Short title and commencement**

(1) This Act may be cited as the Local Governments (Rating) Act, 2005.

(2) This Act shall come into force on a date appointed by the Minister by statutory instrument.

**2. Interpretation**

(1) In this Act unless the context otherwise requires—

“commercial building” means a building, the whole or any part of which is used for the purpose of any business;

“currency point” has the value assigned to it in the First Schedule to this Act;

“financial year” means the period commencing on the 1st of July each year and ending on the 30th of June in the following year;

“gross-value” means , subject to subsection (2) of this section, the rent at which the property might reasonably be expected to let, from year to year, if the tenant undertook to pay conservancy fees, water rates and all other usual tenants’ rates and taxes and the landlord undertook to bear the cost of repairs and any other expenses necessary to maintain the premises in a state to command that rent;

“industrial building” means a factory, mill or other premises of similar character used wholly or mainly for industrial purposes;

“local government” means a district council , a city council, a municipal council or a town council within the meaning of the Local Governments Act;

“Minister” means the Minister responsible for local governments;

“non-industrial building” means a building which is not an industrial building;

“occupier” includes any person in actual occupation of rateable property without regard to the title under which the property is occupied;

“owner” means a proprietor whose interest in a particular piece of land is registered under the relevant laws of Uganda or any person who has a right to or concession over that particular land for an indefinite period;

“property” means immovable property and includes a building (industrial or non-industrial) or structure of any kind, but does not include a vacant site;

“rate” means a rate on property levied by a local government under this Act;

“rateable value” means the net annual rental value of a property ascertained in accordance with this Act;

“urban area” means a city, municipality and town and also any other area prescribed by the Minister by statutory instrument;

“valuation court” means the valuation court appointed by a district, city or municipal council under this Act; and

“valuer” means the valuation surveyor appointed under this Act.

(2) In estimating the annual rental value of any property to the tenant, no account shall be taken of the value of any services which the landlord renders or procures to be rendered to the tenant (either alone or in common with other tenants) other than the provisions of, or repairs to or maintenance of, the property.

## PART II—LEVY OF RATES BY LOCAL GOVERNMENTS.

### 3. Local governments to levy rates

(1) Every local government shall levy such rates as it may determine on the basis of the rateable value of any property within its area of jurisdiction.

(2) The minimum amount of rate for any financial year in respect of each property entered in the valuation list shall be one tenth of a currency point (two thousand shillings); except that the amount of rate in respect of any property in any financial year shall not exceed twelve per cent of the rateable value of the property.

(3) Subject to subsection (4) of this section, the rate may be levied under this section only in respect of an urban area.

(4) Notwithstanding subsection (3) the rate may be levied in any area outside the urban area in respect of a commercial building.

(5) For the avoidance of doubts, no rate shall be levied in respect of a residential building in a place not being in the urban area.

*inserted (5a)*

*by Act 12/06*

(6) Subject to subsection (3) of section 20, the rate shall be the rate payable in respect of the financial year for which it is levied, and for every future financial year until it is altered in accordance with this Act.

(7) In this section "residential building" means a building used exclusively for residential purposes.

#### 4. Valuation lists

For the purposes of section 3, a local government shall cause to be made, for its area of jurisdiction a first valuation list and thereafter a valuation list, once at least in every five years, or such longer period as a local government may determine.

#### 5. Exempted properties

(1) The properties specified in the Second Schedule shall not, subject to the provisions of that Schedule, be liable to the rate.

(2) The Minister may, by statutory instrument, made in consultation with the Minister responsible for finance, amend the Second Schedule.

**6. Local governments may remit or reduce rate**

A local government may only reduce or remit the payment of the rate in respect of any property as prescribed by the Minister by regulations.

**7. Liability of owner**

(1) The person liable for payment of the rate shall be the owner of the property in respect of which the assessment is made.

(2) Where the name of the owner of any property is not known to a local government, it shall be sufficient to assess the person to the rate by the description of the occupier of the property in respect of which the assessment is made without further name or description.

**PART III—VALUATION FOR PURPOSES OF RATING.****8. Valuers for local governments**

For the purpose of valuation of any property for rating under this Act, a local government shall appoint a person who is qualified and registered as a valuation surveyor and who holds a valid practising certificate under the Surveyors' Registration Act as valuer.

**9. Declaration by surveyor**

(1) Every valuer appointed under section 8 shall, before commencing his or her duties as valuer under this Act, make before a magistrate or justice of the peace a solemn declaration in the form set out in Form A in the Third Schedule to this Act.

(2) The declaration made under subsection (1) shall be sent by the magistrate or, as the case may be, the justice of the peace, before whom it was made to the local government concerned, and the local government shall cause it to be placed with the valuation list.

**10. Particulars of valuation list**

(1) Every valuation list shall contain such particulars in respect of any property as may be prescribed; but a valuation list shall in any case include the following—

- (a) serial number;
- (b) detailed description of property including plot number, street or road, name of property and other relevant information;
- (c) owner's name and address;
- (d) village and parish local council;
- (e) category of property use;
- (f) gross value of property;
- (g) rateable value of property.

(2) On the completion of the draft valuation list, every valuer shall issue a certificate signed by him or her in terms set out in Form B in the Third Schedule to this Act.

### **11. Ascertainment of rateable value**

For the purposes of valuation lists to be prepared under this Act, the rateable value of any property shall be ascertained as follows—

- (a) if the property is one other than an industrial or commercial building, there shall be deducted from the gross value of the property such amount as the Minister may, by statutory order, determine; and the gross value so reduced shall be taken to be the net annual value;
- (b) if the property is an industrial or commercial building, there shall be estimated the rent at which the property might reasonably be expected to let from year to year if the tenant undertook to pay conservancy fees, water rates and any other usual tenants' rates and taxes and to bear the cost of the repairs and insurance and any other expenses necessary to maintain the property in a state to command that rent; and the amount of rent as so estimated shall be taken to be the net annual value;



- (c) if the net annual value of any property includes a fraction of a currency point, the local government may direct that it shall be rounded up to the nearest figure upward or downward or that it shall be disregarded.

## 12. Mass valuation

(1) Any local government may, instead of the method of ascertainment of rateable value provided for in section 11 of this Act, adopt for the whole or part of its area of jurisdiction or for any categories of properties there the method of valuation known as mass valuation.

(2) In this section “mass valuation” means valuation based on the general features of properties in the area of jurisdiction of a local government or based on the general features of properties in any part of that area or the general features of particular categories of properties in the area or part of that area.

## 13. Power of entry

(1) Every valuer and every person authorised by him or her in writing for the purpose may, at all reasonable times during day time, enter on and survey and value any property within the area for which the valuer operates.

(2) At any time after entry on a property for the purpose specified in subsection (1), a valuer or a person authorised by him or her in writing for the purpose, may be required by the owner of the property or his or her agent to identify himself or herself.

(3) For the purposes of identification under subsection (2), it shall be sufficient for a valuer or a person authorised by him or her in writing for the purpose, to—

- (a) produce a letter in Form C in the Third Schedule to this Act, authorising him or her to survey and value properties in the area where the property is situated; or

(b) be introduced by the chairperson or vice chairperson of the village council.

(4) Every valuer or a person authorised by him or her in writing may inspect and make extracts from any register, record, deed or instrument, which contains particulars of any property whether that register, record, deed or instrument belongs to the Government or is in the custody or possession of a public officer or any other person.

(5) Every valuer may call upon the owner or tenant of any property to furnish him or her, within fourteen days after being called upon to do so, with such written particulars in relation to the property as may be necessary to enable the valuer to make a correct valuation of the property.

(6) Any person who wilfully—

(a) delays or obstructs any person in the exercise of his or her duties under this section; or

(b) neglects to furnish the particulars after being called upon to do so in accordance with subsection (5); or

(c) furnishes the valuer with a false statement or particular in respect of the property,

commits an offence and is liable on conviction, to a fine not exceeding three currency points or imprisonment not exceeding two months or both.

#### **14. Draft valuation list and notice**

(1) When a valuation list is to be made under this Act the valuer shall—

(a) prepare a draft valuation list; and

(b) when the draft is completed, transmit three copies of it to the local government concerned.

(2) On receiving the draft valuation list, the local government shall forthwith publish in the *Gazette* and in at least one newspaper, if any, circulating in the area, a notice in the prescribed manner, containing the statement—

- (a) that the draft valuation list has been completed;
- (b) that a copy of the draft valuation list is open for inspection in the office of the local government; and
- (c) of the right of objection conferred by section 15 of this Act.

(3) If there is no newspaper circulating in the area, the local government may cause the statements of the notice to be published in such other manner as it may think sufficient for the information of the persons who may be aggrieved by an entry in the draft valuation list.

#### PART IV—OBJECTIONS AND APPEALS.

##### 15. Notice of objection

(1) Any person who is aggrieved—

- (a) by the inclusion of any property in the draft valuation list; or
- (b) by any value ascribed in the draft valuation list to a property or by any other statement made or omitted to be made in the draft valuation list with respect to any property; or
- (c) in the case of a building or portion of a building occupied in parts, by the valuation in the draft valuation list of that building or portion of a building as a single property,

may, at any time before the expiration of thirty days from the date of publication of notice in accordance with section 14, serve on the local government a notice of objection to the draft valuation list so far as it relates to that property.

(2) Every notice of objection under this section shall be in writing and shall state the grounds on which the objection is made and the amendments desired to remove the objection.

(3) No person shall be entitled to be heard by the valuation court unless he or she has served on the local government a notice of objection to the draft valuation list in accordance with subsections (1) and (2) of this section.

(4) Notwithstanding subsection (3) of this section, if the person liable to pay the rate and the valuer both agree that owing to a mistake, a property has been wrongly included in the draft valuation list, or that any statement was wrongly made or omitted to be made with respect to a property or any building or portion of a building was wrongly ascribed a valuation as a single property, the valuation court may, on application by either party, order the property to be valued again whether or not notice of objection in accordance with subsections (1) and (2) was served.

#### **16. Local government to send valuation list to valuation court**

After the expiration of the period prescribed for lodging of notices of objection to a draft valuation list, the local government shall send a copy of the draft valuation list and all the notices of objection to the valuation court.

#### **17. Appointment of members of valuation court**

(1) The valuation court shall consist of a Chairperson and two members, at least one of whom shall be a woman.

(2) The Chairperson shall either be a Chief Magistrate, a Magistrate Grade I or an Advocate of not less than five years' standing.

(3) The members of the valuation court shall be engineers or architects or such other persons as the local government may think fit to appoint, except that members of the local government shall not be appointed as members of the valuation court.

(4) No Chief Magistrate or Magistrate Grade I shall be appointed as Chairperson without the consent of the Principal Judge.

(5) The Chief Administrative Officer or Town Clerk or such other person as the local government may appoint, shall act as clerk to the valuation court.

**18. Quorum**

(1) The Chairperson and one other member shall constitute the quorum of the valuation court.

(2) The decision of a valuation court shall be according to the opinion of the majority, but where the valuation court consists of the Chairperson and one member, and there is a difference of opinion, the opinion of the Chairperson shall be the decision of the valuation court.

**19. Hearing by valuation court**

(1) The valuation court shall summon the objector and the valuer in such manner as may be prescribed, and shall—

(a) examine such witnesses, on oath or solemn affirmation;

(b) call for the production of such documents; and

(c) afford such other opportunity of being heard, to the objector and the valuer,

as it may deem necessary for the just decision of the objection.

(2) The valuation court shall ensure that except in exceptional circumstances, it completes its proceedings within six months after copies of the notices of objection are received by the valuation court under section 16.

(3) The valuation court shall record its findings, and make such alterations in the draft valuation list as may be necessary to give effect to its findings.

(4) The valuation court shall keep a record of its proceedings, and shall notify its findings to the local government concerned, the objector and the valuer in such manner as may be prescribed by regulations.

**20. Draft valuation list and date of coming into force**

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(1) When the valuation court has completed the hearing of all the objections to the draft valuation list and has made such alterations in the draft valuation list as may be necessary to give effect to its findings, the Chairperson shall certify and sign the draft valuation list in the form set out in Form D in the Third Schedule to this Act.

(2) Where a draft valuation list has been certified in the manner provided for in subsection (1), it shall become the valuation list in force in the rating area to which it relates and shall supersede the valuation roll or assessment in force in that area.

(3) Where no person serves on the local government a notice of objection to the draft valuation list within the period prescribed by subsection (1) of section 15 of this Act, then it shall become the valuation list in force in the rating area to which it relates and shall supersede the valuation roll or assessment in force in that area.

(4) A valuation list shall come into force with effect from the commencement of the financial year next after the one in which the Chairperson of the valuation court certifies it under subsection (1) of this section or next after the valuation list becomes the list in force under subsection (3) of this section.

**21. Notice of valuation list**

(1) The Clerk of the valuation court shall cause to be published in the *Gazette* and twice within a period of ten days in at least one newspaper, if any, circulating within the area of jurisdiction of the local government to which the valuation list relates, a notice that the valuation list has come into force.

(2) The notice shall also be published twice in at least one of the electronic media or radios operating in the area and it shall be placed on the notice boards of the local government in the area.

## 22. Appeal

(1) Any person who had served a notice of objection under section 15 or the local government concerned may, within thirty days of the notification of the finding of the valuation court, appeal to the High Court challenging the principle upon which any valuation has been made.

(2) Notwithstanding subsection (1), the High Court may, in special cases, grant leave for an appeal to be made out of time.

(3) The appeal shall be in writing and shall contain a statement of the grounds of appeal.

(4) After summoning the person who had served a notice of objection under section 15 as the case may be, the local government concerned and after affording the parties such hearing as it may think just, the High Court may affirm, set aside or modify the findings of the valuation court.

(5) The valuation court shall make such alterations in the valuation list as may be necessary to give effect to the decision of the High Court.

## PART V—ENFORCEMENT.

### 23. Valuation list as altered, and date of coming into force

The valuation list, as altered in accordance with the provisions of section 22, shall come into force from the commencement of the financial year next after the one in which the Chairperson of the valuation court certified the valuation list under subsection (1) of section 20.

### 24. Supplementary valuation list

(1) A local government may, on its own motion or on the application of an owner, or on the request of the Minister, at any time, cause—

- (a) any property omitted to be included in the supplementary valuation list;
- (b) to be valued and included in a supplementary valuation list—
  - (i) a new property which was not in existence at the time of the making of the valuation list;
  - (ii) any property which is sub-divided or sub-leased after the coming into force of the valuation list; and
  - (iii) any property which has since the making of the valuation list, ceased to qualify for exemption under section 5 of this Act.

(2) The provisions of sections 11 to 22 inclusive which apply to the making of the valuation lists shall apply to the making of the supplementary valuation lists also, as if the reference in those provisions to the draft valuation list or valuation list were a reference to the draft supplementary valuation list or supplementary valuation list, respectively.

(3) A local government may direct that the supplementary valuation list, in so far as it relates to any property which had been omitted to be included in the valuation list, shall come into force as if the property had been included in the valuation list.

## **25. Clerical and arithmetical errors**

A local government may, at any time, cause to be made in a valuation list or a supplementary valuation list any alteration which is necessary to correct any clerical or arithmetical error in it and the list shall have effect accordingly; but if the alteration is made in respect of any matter other than totals, the local government shall, before causing the alteration to be made, send notice of it to the owner of the property in question, and shall allow fourteen days to lapse during which the owner may object to the proposed alteration.