

THE NANDI COUNTY RATING BILL, 2014

REPUBLIC OF KENYA



THE COUNTY GOVERNMENT OF NANDI

THE NANDI COUNTY RATING BILL, 2014

NO. OF 2014

THE NANDI COUNTY RATING BILL, 2014

THE NANDI COUNTY RATING BILL, 2014

ARRANGEMENT OF SECTIONS

PART I - PRELIMINARY

1. Short title and commencement
2. Application of Bill
3. Interpretation

PART II – VALUATION FOR RATING

4. Forms of rating
5. Imposition of rates
6. Amount of rates payable
7. Deemed amount of rates payable
8. When do rates become due and payable?
9. Liability for payment of rates
10. Collection of rates
11. Discount for early payment of rates
12. Penalty payable on late payment of rates
13. Recovery of rates
14. Recovery of rates from persons paying rent
15. Rates chargeable on property
16. Statement of payment of rates and other charges
17. Publication and service of documents
18. Valuers

PART III - MISCELLANEOUS

19. Power to make rules
20. Savings

SCHEDULES

First Schedule – Area Rate

Second Schedule – Agricultural Rental Value Rate

Third Schedule – Site value rate or Improvement Rate

Fourth Schedule – Determine the amount of a rate that is payable

THE NANDI COUNTY RATING BILL, 2014

THE NANDI COUNTY RATING BILL, 2014

A Bill of the County Assembly of Nandi to provide for the imposition of rates on land and buildings in the County of Nandi, and for connected purposes.

ENACTED by the County Assembly of Nandi as follows—

PART I PRELIMINARY

- | | |
|------------------------------|--|
| Short title and commencement | 1. This Bill may be cited as the Nandi County Rating Bill, 2014, and shall come into operation on the date of publication in the County Gazette or Kenya Gazette, whichever comes earlier. |
| Application of Bill | 2. This Bill applies to all rateable property in the county of Nandi. |
| Interpretation | 3. In this Bill, unless the context otherwise requires;
“Agricultural rental value rate” has the meaning assigned to it in accordance with clause 1 of the Second Schedule;
“Area rate” has the meaning assigned to it in accordance with clause 1 of First Schedule;
“Improvement rate” has the meaning assigned to it in clause 2 of Third Schedule;
“Land” includes any improvements on, in or under the land;
“Prescribed” means prescribed by the rules made under this Bill;
“Rate” means a rate imposed by this Bill;
“Rateable owner” has the meaning assigned to it by Section 7 of the Valuation for Rating Act (Cap 266);
“Rateable property” includes land, except—
(a) any land used or reserved for roads, streets (including private streets), car parks, squares, parks, gardens or other open or enclosed spaces vested in a local authority;
(b) Public land as defined and provided for in Section 25 of the Valuation for Rating Act (Cap 266);
(c) Community land as defined and provided for in Article 63 (2) of the Constitution of Kenya; and
(d) Any land used for any of the purposes specified in |

THE NANDI COUNTY RATING BILL, 2014

section 27 of the Valuation for Rating Act (Cap 266) or under any rule made thereunder;

“Rating area” means an area in the county for which:

- (a) A form or method of rating is or may be adopted; or
- (b) A rate is or may be imposed;

“Rating authority” means the county government of Nandi;

“Receiver of revenue” has the same meaning as in the Nandi County Revenue Administration Act, 2014;

“Site value rate” has the meaning assigned to it in clause 1 of Schedule 3;

“Supplementary valuation roll” means any supplementary valuation roll prepared under the Valuation for Rating Act (Cap 266);

“Valuation roll” means any valuation roll prepared under the Valuation for Rating Act (Cap 266) and may include any other Valuation Roll that may be prepared by the Rating authority;

“Year” means a period of 12 months starting on 1 January or such other prescribed date.

PART II – VALUATION FOR RATING

Forms of rating

- 4.** (1) The forms of rating are:
- (a) An area rate as provided for in Schedule 1; and
 - (b) An agricultural rental value rate as provided for in Schedule 2; and
 - (c) A site value rate and an improvement rate as provided for in Schedule 3.
- (2) One or more forms of rating must be adopted for the purposes of imposing a rate under section 5.
- (3) Any land may be converted from one form of rating to another in accordance with the rules made

Imposition of rates

- 5.** (1) A rate is imposed in respect of each year on all rateable property in the county.
- (2) Subject to subsection (3), the form of rating adopted for the purposes of imposing the rate under subsection (1) is a site value rate.

THE NANDI COUNTY RATING BILL, 2014

(3) The county assembly may in the County Finance Bill adopt one or more of the other forms of rating referred to in section 4.

(4) Different forms of rating may be adopted for different rating areas.

Amount of rates payable

6. (1) The amount of a rate that is payable is to be determined each year by the county assembly in the County Finance Bill.

(2) Without limiting subsection (1), the wording set out in Schedule 4 may be used by the county assembly to determine the amount of a rate that is payable.

Deemed amount of rates payable

7. If the county assembly does not determine the amount of a rate payable for a particular year, then the amount of the rate payable for that year is deemed to be the amount of the rate that was payable for the immediately preceding year.

When do rates become due and payable?

8. (1) A rate becomes due on 1st day of January of each year or such other date as may be prescribed by regulations.

(2) The rating authority must by notice in the county Gazette specify the date on which a rate becomes payable and may publish that date in a newspaper circulating in the county.

(3) Notice of at least thirty days must be given of the payment date published under subsection (2).

(4) For the purposes of this Bill, the valuation roll or any supplementary valuation roll in force on the day on which any rate becomes payable is conclusive evidence of all matters included in such roll.

Liability for payment of rates

9. (1) The rateable owner of any land at the date when a rate imposed on that land becomes payable is liable for payment of the amount of the rate.

(2) If the owners of the land are joint registered owners or tenants in common, they are jointly and severally liable for the payment of the rate.

(3) If the rateable owner of the land is absent from Kenya, any person receiving the rent or being in charge or control of the land is liable for the payment of the rate.

THE NANDI COUNTY RATING BILL, 2014

- Collection of rates** **10.** (1) Rates must be paid to the receiver of revenue or any other person authorised by the rating authority to collect rates.
- (2) Rates are payable:
- (a) By an electronic transfer of funds or such other ways approved by the receiver of revenue; or
- (b) At the offices of the rating authority or at any other place approved by the receiver of revenue.
- (3) The receiver of revenue must issue a receipt for the payment of any rates to the person who paid the rates.
- (4) For purposes of 1 above, the County Land Registrar and the County Land Management Board shall be deemed to be agents of the receiver of revenue for purposes of revenue collection.
- (5) The County Land Registrar shall:
- a) require any person to produce any instrument, certificate or other document relating to the land in question on payment of rates, and that person shall produce;
- b) refuse to proceed with any registration if any instrument, certificate or other document required to be produced or given on payment of rates;
- c) order that the rates prescribed under the County Finance Bill be borne and paid by such person prior to registration.
- (6) the Registrar shall not register any instrument purporting to transfer or to vest any ratable property unless the receiver of revenue certify that all outstanding rates and other charges, if any, have been paid there is produced to the Registrar
- Discount for early payment of rates** **11.**The rating authority may allow a discount as determined by the county assembly in the County Finance Bill on any rate paid on or before the day on which the rate becomes payable.
- Penalty payable on late payment of rates** **12.** The rating authority may charge interest as determined by the county assembly in the County Finance Bill on any amount of a rate remaining unpaid after the day on which the rate became payable.
- Recovery of rates** **13.** (1) If any rate or any part of a rate remains unpaid after the day on which the rate became payable, the rate or part of the rate, as the case may be, and any interest on any such unpaid rate or part as provided for in section 12, is recoverable in a court of competent

THE NANDI COUNTY RATING BILL, 2014

jurisdiction as a debt due and owing to the rating authority from the person liable for payment of the rate and shall be paid as the receiver of revenue may direct.

(2) The receiver of revenue is authorized to sue for and recover the debt for the rating authority.

(4) A certificate, instrument or other document signed by the receiver of revenue and certifying that:

(a) An amount of rates is or was due and payable on or before a certain date; and

(b) The amount or a part of the amount has not been paid on or before that date is admissible as evidence against the defendant in proceedings under this section, and is prima facie evidence as to the matters certified.

Recovery of rates
from persons paying
rent

14. (1) If any rate or any part of a rate remains unpaid after the day on which the rate became payable, the rating authority may serve a written notice under subsection (2) upon any person known to be paying rent or making some payments to the defaulting rate payer and or owner of the land in respect of which such rate was imposed and in default the rates may be collected from such person or individual.

(2) The written notice:

(a) Is to state the amount of such arrears, which may include interest calculated in accordance with section 12; and

(b) Is to state that all future payments of rent (whether already accrued due or not) by the person paying the rent are to be made directly to the rating authority until such arrears and interest have been paid in full.

(3) The notice operates for all purposes to transfer to the rating authority the right to recover, receive and give a discharge for such rent.

Rates chargeable on
property

15. (1) Any rate due, together with interest calculated in accordance with section 12, is a charge against the land on which the rate was imposed.

(2) If the title to such land is registered under any law relating to the registration of title to land, the rating authority may deliver a notification of such charge, in the prescribed form, to the registrar who must register it against the title to that land and the charge takes priority in accordance with such law.

THE NANDI COUNTY RATING BILL, 2014

Statement of payment of rates and other charges 16. The rating authority may, upon payment of the prescribed fee by any person, issue to that person a statement of the current status of the payment of rates for an area of land.

Publication and service of documents 17. Documents are to be published, sent or served for the purposes of this Bill in accordance with the requirements of section 16 of the Nandi County Revenue Administration Act, 2014.

Valuers 18. The County Executive Committee Member responsible for Lands may appoint one or more county public officers within the meaning of the County Governments Act 2012 or other persons to value land for the purposes of preparing a draft valuation roll or draft supplementary valuation roll under the Valuation for Rating Act (Cap 266).

PART III – MISCELLANEOUS

Power to make rules 19. (1) The County Executive Committee Member responsible for Finance may make rules generally for the better carrying out of the provisions and purposes of this Bill.

(2) Without limiting subsection (1), rules may be made for the following purposes:

- a) The collection of rates;
- b) The exemption, waiver or reduction of rates;
- c) Prescribing fees for services;
- d) Prescribing forms;
- e) Publication and service of notices and other documents.

f)The County Executive Committee Member for Finance may make different rules in respect of different forms of rating or different rating areas.

g)The County Executive member for Lands may make regulations in respect with valuation of property

Savings 2. (1) If, immediately before the coming into operation of this Bill, there is in force under any law, a form or method of rating in respect of any area of the county which the County Assembly is empowered to adopt under this Bill, that form or method of rating is adopted by reference under this Bill and continues to apply in respect of that area, subject to such modifications (if any) as may be necessary to bring such form or method of rating into conformity with the provisions and requirements of this Bill and any rules made under

THE NANDI COUNTY RATING BILL, 2014

this Bill.

(2) Any rules made under the Rating Act (Cap 267), being in force immediately before the coming into operation of this Bill, are adopted by reference under this Bill and continue in force for the purposes of this Bill, subject to such modifications (if any) as may be necessary to bring such rules into conformity with the provisions and requirements of this Bill.

(3) A valuation roll that, but for the operation of section 3 of the Valuation for Rating Act (Cap 266), would have been in force immediately before the coming into operation of this Bill in respect of the county or a part of the county is deemed to be in force for the purposes of this Bill.

THE NANDI COUNTY RATING BILL, 2014

SCHEDULES

FIRST SCHEDULE

(SECTION 4(1) (a))

AREA RATE

Clause 1 - Area rate

An area rate is a rate imposed on an area of land, and the County Assembly may adopt an area rate from one or more of the following methods of rating:

- (a) A flat rate upon the area of land;
- (b) A graduated rate upon the area of land;
- (c) A differential flat rate or a differential graduated rate upon the area of land according to the use to which the land is put, or capable of being put, or for which it is reserved;
- (d) An industrial rate upon the area of land used for other than agricultural or residential purposes;
- (e) A residential rate upon the area of land used for residential purposes;
- (f) Such other method of rating upon the area of land or buildings or other immovable property as the county assembly may approve;

Clause 2 - Area rate to be adopted

The County Assembly may adopt different forms of rating for different rating areas.

THE NANDI COUNTY RATING BILL, 2014

SECOND SCHEDULE

(SECTION 4 (1) (b))

AGRICULTURAL RENTAL VALUE RATE

Clause 1 - Agricultural rental value rate

An agricultural rental value rate is a rate imposed on the annual value of agricultural land.

Clause 2 - Definitions

In this Schedule,

“Agricultural land” has the same meaning assigned to it by the Agriculture Act; and

“Annual value”, in relation to an agricultural rental value rate, means:

(a) In the case of land which is held on a lease from the National Government for a term of 99 years and in respect of which an annual rent has been reserved by such lease, the annual rent so reserved; and

(b) In the case of any other land, the annual rent which might reasonably have been reserved if such land had been held on a lease from the National Government for a term of 99 years commencing with the year 1960.

THE NANDI COUNTY RATING BILL, 2014

THIRD SCHEDULE

(SECTION 4 (1) (c))

A SITE VALUE RATE OR AN IMPROVEMENT RATE

Clause 1 - Site value rate

A site value rate is a rate imposed on the value of unimproved land as appearing in a valuation roll or supplementary valuation roll.

Clause 2 - Improvement rate

An improvement rate is a site value rate in combination with a rate on the assessment for improvement rate as appearing in a valuation roll or supplementary valuation roll.

Clause 3 - Application of Valuation for Rating Act (**Cap 266**)

If a site value rate or an improvement rate is adopted, the Valuation for Rating Act (Cap 266) including relevant definitions applies to the form of rating so adopted.

THE NANDI COUNTY RATING BILL, 2014

FOURTH SCHEDULE

(SECTION 6)

DETERMINING THE AMOUNT OF A RATE THAT IS PAYABLE

For the purposes of section 6 of the Nandi County Rating Act, 2014, the amount of a rate payable in respect of a rateable property for [Insert Year] is [Insert Percentage] percent of the unimproved value of the rateable property.

THE NANDI COUNTY RATING BILL, 2014

MEMORANDUM OF OBJECTS AND REASONS

Article 209 (3) of the Constitution provides for the imposition of property rates by the County Governments.

This Bill gives the County Government of Nandi exclusive taxing power by providing for the imposition and collection of property rates. The Bill relies on the property valuations in place under the national Valuation for Rating Act (Cap 266).