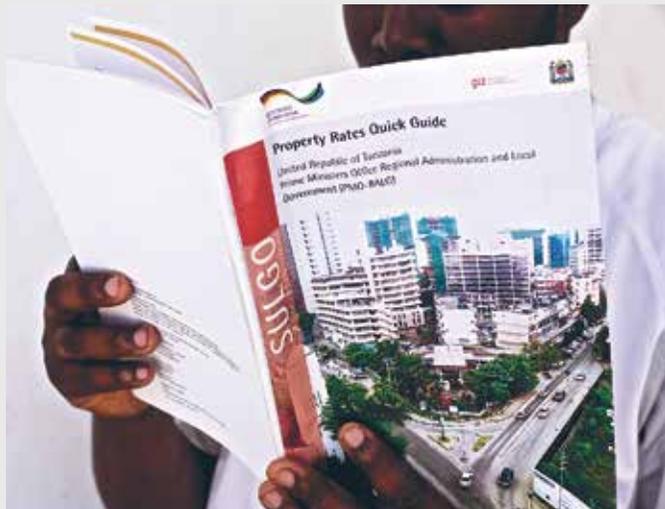


## The context

Under the Local Government Reform Programme, PMO–RALG is implementing a series of reforms, including the enhancement of local revenue sources and collection so that LGAs do not have to depend only on the Central Government to meet their citizens' needs. Property rates are a major LGA revenue source, especially in urban councils. However, the extensive potential of this buoyant revenue source is yet to be exploited adequately by most LGAs.



The Property Rates Quick Guide is meant to enable local government executives and their councils to realize their full revenue potential. It serves as a valuable guide and effective tool for LGAs to discharge their functions in accordance with new concepts of property rate administration, and in the process optimize revenue realization from this source.

## German Development Cooperation

The Support to Local Governance (SULGO) programme is a cooperation between the governments of the United Republic of Tanzania and the Federal Republic of Germany. It is implemented by the Prime Minister's Office – Regional Administration and Local Government (PMO–RALG) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the Federal Ministry for Economic Cooperation and Development.

The overall aim of the programme is to improve access to public services for citizens through stronger local governments. It has been implemented since 2008, with the current phase running since November 2010.

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All products can be downloaded from the following websites:

<http://www.sulgo.or.tz>

<http://www.pmoralg.go.tz>

## Strengthening property rates administration

The Prime Minister's Office – Regional Administration and Local Government (PMO–RALG) is spearheading reform initiatives to empower local governments with more fiscal resources, improved management capacities and more responsibilities in order to improve service delivery to citizens throughout the country. As part of this effort, the government is prioritising the enhancement of local authorities' sources of revenues through the strengthening of the collection of property rates.

SULGO  
better lives through better services



## More revenue sources for improved services

## A blueprint for efficient administration

The Property Rates Quick Guide contains standardized and internationally recommended procedures for efficient property rates administration. The contents have been drawn from successful experiences in the Philippines, Europe and South Africa.

The main problems that have led to the under-performance of Tanzania's Local Government Authorities in administering property rates have revolved around the inability to update the property database and the associated valuation due to the exorbitant costs involved. The Quick Guide provides affordable solutions to these problems.

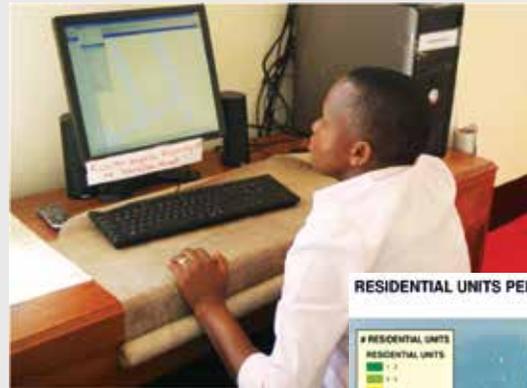
SULGO has also supported the development of a computerized system to make property rates administration easier. The Integrated Property Rates Information Management System (IPRIMS) contains modules for property database development, valuation, scenarios for assessment, billing and payment collection. It is an all-in-one reference document for council directors who desire to excel in property rates revenue administration.

LAND CHARGES/FEES	
Land Use	Business / Commercial
Road Access	Electricity
Water Supply	Method of Main
Sanitation	Septic Tank
Perimeter Fence Type	Iron Mesh
Fence Condition	Good
ESTIMATED TOTAL TAX BASE (2009 TZS)	
Building Type	Other
Structure Type	Other
Exterior Wall Type	Block Reinforced
Floor Finish Type	Concrete
Construction Year	2005
Renovation Year	2000
TOTAL	

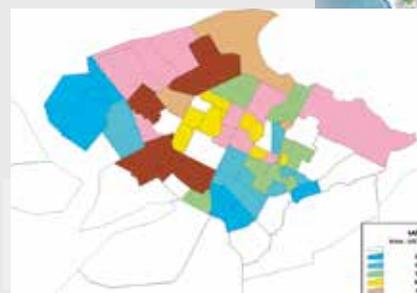
## The Property Rates Quick Guide

The Quick Guide provides an understanding of:

- ▶ Property database creation and maintenance. This includes a standard property data sheet, data collection procedures, quality control of data collected, computer processing of the property data and maintenance of the database (including updating). It also explores the property reference numbering (PRN) which is a system of identifying properties.
- ▶ Property valuation including conventional methods and computer-based mass appraisal.
- ▶ Assessment options. It explores conventional flatrating, improved flatrating and market value or replacement cost basis.
- ▶ Bill creation, printing and distribution.
- ▶ Payment or collection administration, including enforcement methods in case of defaults.



RESIDENTIAL UNITS PER BUILDING Date: 18.6.2009



## The results

The Quick Guide and the accompanying computerized system (IPRIMS) have been implemented in Mtwara Mikindani Municipal Council and Masasi Town Council and in Handeni Town Council.

### Mtwara Mikindani Municipal Council

- ▶ Up-to-date information on all properties (comprehensive fiscal cadastre) is now easily available. As a result of this systematic documentation, the region's tax base has increased from 6,500 properties in 2008 to 16,000 properties in 2011.
- ▶ There is now equitable and cost-effective distribution of the tax burden among citizens. This is a result of the improved flatrating system which considers the attributes of the property (size, age, construction materials etc.).
- ▶ The council now has efficient and automated administrative procedures.
- ▶ The revenue potential has increased from 90 million TZS in 2009 to nearly 250 million TZS in 2011.

### Masasi Town Council

- ▶ Fiscal cadastre construction is currently underway to create a comprehensive property database. To date, 5,000 out of an estimated 15,000 properties have been covered. There is potential for the revenues to increase when the database is complete as a result of the increase in the number of properties that will be subject to taxation.

### Handeni Town Council

- ▶ A comprehensive property database covering 10,500 properties has been developed and the process of capturing the remaining properties is ongoing. The potential revenue from property rates for this new town council is estimated at 150 million TZS in year 1.

