

Parliament Tasks MMDAs to Maximize Revenue from Property Rates

Accra, Ghana

“Metropolitan, Municipal and District Assemblies (MMDAs) in the country must take advantage of the digital address system and various electronic payment platforms to enhance property rates collections. Although they are confronted with administrative and inadequate data, the introduction of these electronic platforms makes property rate mobilization easier,” says the Vice Chairman of the Parliament Select Committee on Local Government and Rural Development, Hon. Sekyere Benjamin Yeboah, MP for Tano South.

He added that MMDAs should not over rely on the District Assembly Common Fund (DACF) but should adopt strategic measures to rake in revenue for development at the local level. He tasked the assemblies to be innovative to maximize revenue from property rates because it is a significant source of revenue that the assemblies shouldn't neglect.

He made the call when CUTS Ghana presented its research findings on property rates across the country to Parliamentary Select Committee on Local Government. The project is been supported by Oxfam Ghana Fiscal Policies to Address Inequalities.

Hon. Sekyere Benjamin Yeboah affirmed that the research findings and recommendation presented by CUTS was timely as it reflects the reality in the districts. He mentioned that the Committee had just completed a tour of 45 districts across all 10 regions which focused on addressing the key challenges to maximizing property rate collection and the government's role in aiding the MMDAs to reach their potential

Hon. Braimah Salifu Adam, MP for Salaga South and a member of the committee noted that geographical and structural differences across Ghana makes the collection of property rates difficult; as some cannot afford the burden of extra taxation. He advised that Districts must provide a safety net – whether through flat rates or exemptions – for those who may not be able to afford it so they equally contribute to the development of their districts.

Presenting key research findings to members of the Committee, Mr. Appiah Kusi Adomako, Center Coordinator, CUTS Accra, said the research identified administrative and inadequate data as the main challenges hampering effective revenue collection. Mr. Adomako said the research revealed that Metropolitan, Municipal and District Assemblies (MMDAs) across the country lacked personnel to collect the taxes. He recommended that MMDAs should engage National Service Personnel and other unemployed youth to collect revenue on behalf of the Assemblies.

He also called for a Legislative Instrument to streamline the collection of property rates and tackle administrative challenges. He added that the creation of a standard manual for all MMDAs will foster collaboration among the various key Ministries Departments and Agencies thus, boost revenue mobilization. He also stressed on the need for MMDAs to organise periodic public education seminars on property tax payment and its related issues.

Hon. Kpodo Benjamin Komla, MP for Ho Central, suggested that Assemblies be strategic in the collection and focus their efforts on properties of higher value and ensure they pay what its due, and not a flat rate imposed on all properties despite their potential valuation. He added that property rate collection if properly and professionally handled would provide a huge chunk of funding needed for the development of the Metropolitan, Municipal and District Assemblies.

A Research Associate with CUTS Accra, Mr. Isaac Yaw Obeng, said there is the urgent need for MMDAs to have a robust and efficient database of properties in their localities to ease up property valuation and revenue mobilization. He also reiterated that MMDAs could adopt modern technologies and payment platforms like Paypal, Express Pay as well as Mobile Money for efficient collection of property taxes.

About CUTS

CUTS Ghana is a research and advocacy policy think tank which works in the areas of consumer protection and education economic regulation, trade and development, regional integration, competition policy and law, etc.

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