MBALA MUNICIPAL COUNCIL

MINUTES OF STAKEHOLDER MEETING ON PROPERTY RATES AND BUSINESS LICENSES HELD IN THE COUNCIL CHAMBER ON 05TH AUGUST 2025 AT 09:00HRS.

Stakeholders attending the Meeting on Property Rates at Mbala Municipal Council Chamber.

AGENDA

1. OPENING PRAYER
2. INTRODUCTIONS
3. WELCOMING REMARKS
4. PRESENTATIONS BY THE DIRECTOR FINANCE ON:
    - MID TERM REVIEW ON COLLECTION OF LOCAL REVENUE
    - FEES AND LICENSES
    - PROPERTY RATES
    - REBATES ON PROPERTY RATES
    - COUNCIL WAGE BILL AGAINST THE EQUALISATION FUND
    - BRIEF ON THE RECENT DISPATCH OF SHERIFFS
    - VALUATION ROLL
5. PLENARY
6. RESOLUTIONS
7. CLOSING REMARKS
8. CLOSING PRAYER

The meeting was called to order at 10:00hrs with an opening prayer by a stakeholder.

SH/01/05/25 WELCOMING REMARKS BY THE TOWN CLERK.

The Chairperson welcomed all stakeholders present and gave a brief on the purpose of the meeting. She reminded members of previous stakeholder meetings which had been held to resolve compliance issues on payment of property rates and resolutions which were arrived at but had not been fulfilled by the stakeholders. She then informed members that the Ministry of Local Government and Rural Development had given a directive for local authorities to reduce fees on property rates in order to make it more affordable for the business community and reduce default rates. She appealed to stakeholders to speak freely in order to arrive at practical and feasible solutions to address the high rates of non-compliance on property rates.

SH/02/05/25 PRESENTATIONS ON THE FUNCTIONS OF THE FINANCE DEPARTMENT.

The Director Finance gave a presentation on the functions of the finance department, pieces of legislation that mandate the Council to mobilize local revenue and presented a mid-year review of the Council's budget performance. He informed members that as at June 2025, the overall performance of the council budget stood at 31% showing very poor collaboration between the Council and the business community. He further enlightened members that the Council has the Law at its disposal to apply but has instead resolved to engage stakeholders without imposing the law as the primary intervention.

SH/03/05/25 PRESENTATION ON THE 2025 COUNCIL WAGE BILL AND DEFICIT.

The Director Finance gave a presentation that depicted the Council's monthly Wage Bill and deficit. He informed members that Mbala Municipal Council's Gross wage bill stands at 1.8 million while the net Wage Bill is 1.5 million. He stated that the Council received 1 million Equalization Fund monthly, for the year 2025.

The Director further informed members that the Government had began withdrawing Councils from the Equalization Fund one by one effective October until all local authorities are withdrawn.

He further made the following facts;

- Mbala Municipal Council would not manage to pay remunerations to human capital with the current wage bill against collection status.
- Workers may go unpaid for months and may revolt and therefore public services may not be provided effectively.
- NAPSA payments cannot be made. Once workers retire, they may become destitute.
- Monthly Deficit at gross is over K800,000 meaning some workers are not getting paid, especially management who also have personal financial obligations.

SH/04/05/25 PRESENTATION ON CONSEQUENCES OF LIQUIDITY CHALLENGES.

The Director Finance then highlighted the consequences of liquidity challenges. He informed members that Management cannot meaningfully provide key services to the public because the workforce would be demotivated to adhere to conditions of service and daily assignments due to lack of financial support.

He stated that the Council currently had an undertaking to connect sewer lines at the bus station to the Chambeshi Water and Sanitation Company at a cost of K400,000 which the Council was unable to pay.

He said that served as an example of failure to provide services due to financial challenges. He also highlighted failure to buy Personal Protective Equipment (PPE) for the workforce, delayed rehabilitation of feeder roads, failure to de-silt drainages timely or provide effective fire control and rescue operations.

SH/05/05/25 **PRESENTATION ON BRIDGING THE RESOURCE GAP FINANCING THE DEFICIT.**

Another presentation was given by the Director Finance during which he highlighted interventions which the council had undertaken to address the Council's liquidity challenges;

- Council had written many correspondences to the Ministry seeking assistance but was advised to explore other avenues to collect revenue and apply the law to enforce compliance.

- Reliance on business levies and licenses has not amounted to anything as businesses are not complying to payment of even small amounts of fees.

- Council was now evoking the provisions of the rating act no.18 of 2018.

SH/06/05/25 **PRESENTATION ON THE VALUATION ROLL.**

The Director Finance informed members that the Council made a proposal to the rating valuation tribunal of 6 million on the valuation roll to be paid by property owners every six months, but the tribunal approved K3,215,411 with a budget performance of 31% at the six months mark for 2025. He further mentioned that the office of the Auditor General was also questioning why Council was collecting less than half of the approved amount because what the tribunal approves becomes law. He indicated that it is in light of this that management resolved to continue engaging stakeholders in order to resolve the issues at hand.

SH/07/05/25 **PRESENTATION ON GOVERNMENT'S DIRECTIVE TO LOWER PROPERTY RATES.**

The director finance informed members that government had instructed all Councils to Liaise with residents and arrive at resolutions on rebates towards property rates and have them approved by Council before they can be implemented.

SH/08/05/25 **PRESENTATION ON PROPOSED REBATES BY COUNCIL.**

Management made the following proposals to the stakeholders;

- **Residential Properties – 25% discount on the collectable amount.**
- **Commercial Properties – 30% discount on the collectable amount.**
- **Industrial Properties – 30% discount on the collectable amount.**

The Director Finance informed members that when consensus is reached and Council approves, the resolutions become local law and will implemented. He further stated that if compliance is not achieved, the Council would use an aggressive collector to recover what is owed as all avenues would have been exhausted.

He further informed members that Council was still answering to parliament for poor revenue collection for the year 2024, identical to the issues raised in 2023 and he hoped that by the end of 2025 the budget performance would have drastically improved.

SH/09/05/25 **PRESENTATION ON THE RATING ACT.**

The Director Planning informed members that laws have been in existence since time in memorial and must be adhered to without which penalties apply. He informed members that according to the Rating Act;

- If one fails to pay property rates, a demand letter will be issued up to 30 days,
- After which a warrant will be issued to effect seizure of property located anywhere equivalent to what is owed.
- If the rate payer restricts a collector's access to their property, a penalty of imprisonment or a fine can be applied.
- The Council can effect Surcharge for late payment.
- Demand for garnishing of bank accounts with the support of the court until what is owed to the council is paid.

- Council can also seize and sell properties of a defaulting rate payer without court proceedings provided due process has been followed.
- For rental property owners, council can channel rental payments to Council Accounts.

SH/10/05/25 SUBMISSIONS MADE BY STAKEHOLDERS ON THE COUNCIL'S LIQUIDITY CHALLENGES.

The following are submissions made by stakeholders during the plenary sessions;

i. Mbala Municipal Council should revert back to a Town Council and reduce the number of staff as its financial status does not depict that of a Municipal Council.

ii. With regards to law, the President and Minister know that there is law, but there are addendums to law that people can accept to encourage cooperation as in the case of by-laws. That law is there for the community not for Council.

iii. Council needs to prepare budgets which reflect the realistic local collections.

iv. Performance of the Council is very poor in newly opened areas such as Ronald penza, lucheche, little polland, medium and CBD yet rates are being paid.

v. Council should improve public service delivery if property owners are to comply to the payment of property rates.

RESPONSES BY MANAGEMENT.

Management gave the following response to the concerns raised;

i. Mbala should aim to become a City Council as Bill 7 is advocating for more constituencies with decentralization giving more power to the citizens hence it would be retrogressive to revert backwards.

ii. Council is pushing for more resources from government through the Equalization Fund to enhance service provision.

iii. The law is not cast in concrete and it is why Council implemented rebates in 2023 as it is allowed by the law. Council expected to raise 3 million but raised barely 1million as resistance continued even after implementation of rebates, which necessitated the presentation on punitive measures against defaulters. The president is aware and that's why he directed that Councils agree with stakeholder for mutual benefit.

iv. Council uses past budget performances to determine the new budget and the ministry has continued to educate Councils on preparation of more realistic budgets. However, 2024 collections were even better than 2025. Council will continue to engage stakeholders during budget preparation for better efficiency.

v. On service provision management submitted that it is aware and unsatisfied with the quality of service provision due to liquidity challenges presented. If stakeholders pay their fees and charges, service provision will improve. With a monthly collection of less than K200,000 numerous competing needs cannot be addressed simultaneously.

vi. On land development, Council had applied for 6 million kwacha Land Development Fund to open up roads in the newly planned areas including Ronald Penza, Lucheche, Makanta and Motomoto but only received 2 million which the government paid directly to an identified service provider.

SUBMISSIONS BY STAKEHOLDERS.

i. Council should work with the people to increase revenue base. It's impossible for Mbala residents to solely support the council. Think outside the box with sustainable revenue generating ventures.

ii. Council needs to fully operationalize Kaseshya boarder post using the Constituency Development Fund. This will skyrocket revenue for the council.

iii. Council delays the process of issuing offer letters for properties. 75% of owners have not received offer letters for more than 10 years. Council should make it easy for people to obtain property documents.

iv. K350 business levy for small stands is unacceptable. Create an enabling environment for people to obtain title deeds then people can cooperate more.

v. You can't create a valuation roll to meet your salaries, rather make it affordable and allow the business community to present what they can manage to pay.

vi. Council is illegally collecting property rates from property owners who have not been issued offer letters.

RESPONSES BY MANAGEMENT.

i. In the 2025 budget, Council proposed some business ventures. But for this to be implemented there is need for capital however in 2023, Council implemented the bus station fence and the mbulu market ablution block.

ii. Public services can only be effectively provided once compliance to payment of fees and charges is attained. Council will not fail to deliver once resources are available. But without stakeholder support, service provision will be difficult.

iii. In 2023 Council proposed rebates, the ministry of Local Government questioned us because the rebates were almost half and across the board yet the law says as a payer should apply individually.

iv. Stakeholders will be invited for consultative meetings during budgeting as well as the valuation exercise.

Council will use the radio and other media to keep the stakeholders informed.

v. On classification of business types Council will make an assessment on what is pertaining on the ground, and ensure that businesses are being charged correctly.

vi. On rating, the property should be on title or offer in order to be rateable. Those who have built even before conversion of land, council can agree with developer on an amount to be paid to the council in the interim. Even if property is not on offer or title, the council has power to agree with developer as long as it is a significant property.

vii. Signposts yes are billboards and the law does apply to all for payments to be made. The

SUBMISSIONS BY STAKEHOLDERS.

i. Rebates should be made uniform across the board.

ii. Mbala Municipal Council has the potential to improve revenue generation. In the early 2000s an area was reserved for industries but has now been allocated for residential plots. Let us identify an area for allocation of industrial plots as industries will boost the local economy and improve revenue collection for the Council.

iii. Mbala is a farming district, Council heighten collection of grain and loading fees to enhance own source revenue.

STAKEHOLDER PROPOSALS ON REBATES ON PROPERTY RATES:

- **50%**
- **45%**
- **60%**

RESPONSES BY MANAGEMENT.

i. Council will ensure to reserve land for industrial development.

ii. Council is collecting grain levy but the majority of grain is FRA bound and can therefore not be taxed.

iii. Council would soon call for a meeting to agree on the amount of levies to be paid by the business community.

iv. The performance of market stands faring well as well as the bus station. However, users on the bus station need to adhere to the laws and regulations surrounding the bus station for the safety of the public.

SH/11/05/25 RESOLUTIONS.

1. After receiving proposals of 45%, 50% and 60% rebates on all categories of property rates, Council proposed 50% across the board and was seconded by the stakeholders effective between September and October 2025, upon Council approval. Bills would revert to the original amounts after 31st October 2025.

2. The Town Clerk informed stakeholders that the 50% proposal will be taken to the Committee and Subsequently the Full Council to be defended and approved. She indicated that another Stakeholder meeting would be held to make resolutions on business levies. She said as long as Stakeholders and the Council can continue to meet and resolve issues, progress can be made. She further appealed to stakeholders present to communicate with those who did not attend the meeting and not misguide them.