

A BILL

FOR

AN ACT TO ALTER THE PROVISIONS OF THE CONSTITUTION OF THE FEDERAL REPUBLIC OF NIGERIA, 1999 TO ABROGATE THE STATE JOINT LOCAL GOVERNMENT ACCOUNTS AND EMPOWER EACH LOCAL GOVERNMENT COUNCIL TO MAINTAIN ITS OWN SPECIAL ACCOUNT AND MAKE PROVISIONS FOR SAVINGS IN THE FEDERATION ACCOUNT BEFORE DISTRIBUTION TO OTHER LEVELS OF GOVERNMENT; AND FOR RELATED MATTERS, 2020

Sponsored by Senator Ahmed Babba Kaita

[] Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria-

1 1. The Constitution of the Federal Republic of Nigeria, 1999 (in
2 this Bill referred to as "the Principal Act") is altered as set out in this
3 Bill. Alteration of the
Constitution

4 29. Substitute for section 162 of the Principal Act, a new "162"-
5 "Distributable Pool Account. Substitution for
section 162

6 162. (1) The Federation shall maintain a special account to be
7 called "the Federation Account" into which shall be paid all revenues
8 collected by the Government of the Federation, except the proceeds from the
9 personal income tax of the personnel of the armed forces of the Federation,
10 the Nigeria Police, the Ministry or department of government charged with
11 responsibility for Foreign Affairs and the residents of the Federal Capital
12 Territory, Abuja.

13 (2) The Revenue Mobilisation Allocation and Fiscal Commission,
14 shall table before the National Assembly proposals for revenue allocation
15 from the Federation Account, and in determining the formula, the National
16 Assembly shall take into account, the allocation principles especially those

1 of population, equality of States, internal revenue generation, land mass,
2 terrain as well as population density;

3 Provided that the principle of derivation shall be constantly reflected
4 in any approved formula as being not less than thirteen per cent of the revenue
5 accruing to the Federation Account directly from any natural resources.

6 (3) Any amount standing to the credit of the Federation Account shall
7 be distributed among the Federal and State Governments and the Local
8 Government Councils in each State on such terms and in such manner as may
9 be prescribed by the National Assembly.

10 (4) Notwithstanding the provisions of this Section, ten percent of any
11 amount paid into the Federation Account shall be deducted and saved in a
12 separate account prior to distribution to the respective levels of government
13 and shall be held on such terms and conditions as may be prescribed by an Act
14 of the National Assembly.

15 (5) The amount standing in the Federation Account being savings
16 shall not be distributed to the respective levels of government until at least five
17 years from the date it was so saved.

18 (6) Any amount standing to the credit of the States and Local
19 Government Councils in the Federation Account shall be distributed among
20 the States and Local Government Councils on such terms and in such manner
21 as may be prescribed by an Act of the National Assembly.

22 (7) Each local Government Council shall maintain a special account
23 to be called "Local Government Council Allocation Account" into which shall
24 be paid directly such allocation to the Local Government Council from the
25 Federation Account and from the Government of the State.

26 (8) Each State shall pay to Local Government Councils in its area of
27 jurisdiction such proportion of its internally generated revenue on such terms
28 and in such manner as may be prescribed by the House of Assembly.

29 (9) The House of Assembly of each State shall by law prescribe such
30 portion of the money allocated to the State and its Local Government Council

1 from the Federation Account to be used for the purpose of payment of
2 salaries of primary school teachers and such other purposes as it may
3 determine.

4 (10) For the purpose of subsection (9), the Federation Account
5 Allocation Committee shall deduct and remit the salaries of primary school
6 teachers to a body as may be prescribed by the House of Assembly of each Citation
7 State."

8 **3.** This Bill may be cited as the Constitution of the Federal
Republic of Nigeria, 1999 (Alteration) (Local Government Autonomy) Bill,
2020.

EXPLANATORY MEMORANDUM

This Bill seeks to alter the Constitution to abrogate the State Joint Local Government Accounts and empower each Local Government Council to maintain its own special account to be called Local Government Allocation Account into which all allocations due to the Local Government Council shall be directly paid from the Federation Account and from the Government of the State.