



MINISTRY OF LOCAL GOVERNMENT
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PRESS RELEASE

GOVERNMENT POSITION ON THE POLICY GUIDELINES ON THE MANAGEMENT AND LEVYING OF PARKING FEES IN URBAN AUTHORITIES' PUBLIC SERVICE VEHICLE (PSV) PARKING AREAS 2017

On the 13th February 2017, the Ministry issued Policy Guidelines on Management and Levying of Parking Fees in Local Government's Public Service Vehicle (PSV) Parking Areas, which was not fully implemented by the relevant Urban Authorities and not fully complied with by the Park Operators due to misunderstanding of its intended objectives and operational procedures. As such, the responsible line Ministries and Agencies, that is MKCC & MA, MoWT, MoTIC, and MoLG as the lead Agencies were tasked to critically review all the Levies, current practices and operational procedures in the PSV industry and report to Cabinet with practical and viable options for consideration and approval.

Cabinet sat on the 15th of September 2017, and noted that Multiple Levies on Taxis/ Bus operators are in two major categories that is, Statutory/Formal Levies and Non-Statutory/Informal Levies as detailed below:-

1) Statutory/Formal Levies

- a) Licenses on Public Service Vehicles (PSVs), in particular for Taxis and Buses) which is charged to allow PSVs carry passengers for a fee which is UGX 300,000 for Taxis and UGX 1,500,000 for Buses,
- b) Advance Presumptive Tax, charged by Uganda Revenue Authority (URA) on businesses that don't prepare/submit formal accounts, which is UGX 280,000 for Taxis and UGX 1,340,000 for Buses,
- c) Parking Fees, which are user charge fees for services delivered to Taxi Operators by Urban Authorities, with in their respective localities, which is not more than UGX 80,000 (i.e. UGX 4,000 per day X 20days per month),
- d) Inspection Fees (SGS), which is MoWT's administrative intervention for inspection of vehicles' road worthiness and is collected by SGS under a PPP arrangement which is -
 - i. Light omnibus, licensed to carry seven (7) passengers but not exceeding 20 passengers i.e. UGX 103,400 every six months and UGX 206,800 per annum;
 - ii. Medium Omnibus (coasters) licensed to carry more than 20 passengers but not exceeding 60 passengers i.e. UGX 50,000 every six months and UGX 100,000 per annum; and
 - iii. Passengers Vehicles licensed to carry over 67 passengers pay UGX 800 every six months and UGX 1,600 per annum.
- e) Road User Fees collected by Kampala Capital City Authority (KCCA), which is UGX 120,000 per month for Taxis and UGX 150,000 for Buses per month.

2) Non-Statutory/Informal Levies

- i) Welfare Fees,
- ii) Stage Management Fees,
- iii) Stage Permission Fees,
- iv) Stage Loading Fees,
- v) 10% Council Fees per passenger
- vi) Touting Charges, and
- vii) Other fines not sanctioned by Courts.

The non-Statutory fees are self-imposed and it is the

cause of multiple levies/charges to PSVs. These self-imposed fees vary from one Park/ Stage or Town to another.

3) Current Practices

The arbitrary, unregulated and informal category of Levies has been the underlying cause of constant disgruntlement, resentment and unrests within the Public Service Vehicle Industry, on many occasions resulting in violence and disruptions of passenger services.

The informal Levies have encouraged an explosion of ungazetted stages where a variety of illegal fees are collected by unauthorized groups and persons, thereby subjecting the Taxi/Bus Operators to unsustainable payment burden.

In addition, the current practice of Privatization of Revenue Collection in Local Governments whose primary motivation is maximization of revenue collection has often led to charging daily fees and printing revenue collection receipts in such a manner that has resulted in over taxing of the informal sector. Contracts for Revenue collection are competitively awarded to Private Revenue Collectors who effect advance payment of contracted amounts to Local Governments. In their quest to recoup advance payments, operational costs and make some profits, the private revenue collectors often set daily rates and print revenue collection receipts in such unregulated manner, which results into over taxing the informal sector.

To-date, Private Revenue Collectors and Taxi Associations/Groups have continued to charge self-imposed daily fees of about UGX 5,000 per trip per vehicle as welfare fees and stage fees which are irregular and illegal.

4) Current Government Position

It's upon this background and bad practices that Cabinet decided as follows:-

Continue with the Implementation of the Ministry of Local Government's Guidelines on Management and Levying of Parking Fees for PSVs of 13th February, 2017 and the Kampala Capital City Road User Fees Statutory Instrument, 2015, with minor amendments and clarifications as follows:-

- a) All daily Parking fees are abolished with immediate effect,
- b) Privatization of revenue collection to private entities and persons is abolished with immediate effect,
- c) Contracting Park Operators' Cooperative Societies or SACCOs to enforce revenue collection and traffic control is allowable. However, the contracted enforcement services should exclude any form of money/cash collections,
- d) Any two Urban Authorities (i.e. Origin and Destination of PSV) shall be on the licensed route by the Transport Licensing Board of Ministry of Works and Transport,
- e) PSVs will pay a monthly Parking Fee of not more than UGX 80,000 at the start and end of a regular route or catchment area, where they pick and drop

passengers. The mutually agreed upon monthly parking fees shall be approved by the respective Urban Councils and payment of UGX 120,000 to KCCA,

- f) The buses should pay UGX. 5,760,000 per annum (i.e. UGX12, 000 x 20 Months x 2 urban Authorities), which is UGX 240,000 per month per Urban Authority.
- g) Also all Bus daily levies are abolished with immediate effect,
- h) The two Urban Authorities (i.e. Origin and Destination of Urban Authorities) upon confirmation of receipt of these fees the bank will issue a monthly sticker,
- i) Taxis/Buses hired for private use and journeys will not be required to pay Parking Fees outside their regular routes or catchment areas,
- j) The current non-statutory/informal levies such as "Welfare fee", "stage management fees", "loading fees", "touting fees" etc. are not sanctioned by Government. The Taxi/Bus Operators should form Cooperative Societies or SACCOs and pay Membership Fees and Annual Subscriptions as prescribed in the Cooperative Society's Bye-laws. If allowable under the bye-laws of the Cooperative society, it should be collected humanly and it should be voluntary,
- k) In the Long run, Government has decided and approved to undertake a comprehensive study and consultations in view of having One Single Annual Consolidated Levy or any other option. This option will be assessed for its efficiency, effectiveness, affordability and practicability by July, 2018, and
- l) All Urban Authorities must identify, designate, develop and gazette Parking Areas, Taxi Parks and Bus Parks for purposes of orderliness, revenue collection and provision of services to passengers, Park Operators and Investors in the transport industry,

5.0 Conclusion

The purpose of this communication, therefore, is to inform and clarify to the general public, LGs officials and Taxi/Bus Operators that statutory levies relating to monthly Parking Fees (end to end) in gazetted/designated Parking Areas were reduced by 44% that is from UGX 360,000 to UGX 200,000 for Taxis and reduced by 60% for buses that is from UGX 1,200,000 to UGX 480,000. I hope this position of Government will help to protect the interests of the Passengers, Park Operators and LGs. without order in the transport industry, our people will be extremely inconvenienced. We have to think of our people who come from upcountry, the students on transit, the elderly, the sick and weak. They must be assisted by the system. We are also all duty bound to protect the minority investors in the Roads Passenger Transport Industry and all the vulnerable commuters who use this mode of transport.

The implementation of this Governments position takes immediate effect and all Acts of hooliganism and disruption of transport business should also stop forthwith.