

**POLICY BRIEF**

# **REMOVE LOCAL GOVERNMENT AS A TIER OF GOVERNMENT BILL**



July 2025

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For enquiries, please contact us:

House 7, Road 12, Efab Estate, Life Camp Annex, Abuja Nigeria  
Email: [info@legis360.org](mailto:info@legis360.org)  
Web: [www.legis360.org](http://www.legis360.org)



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## EXECUTIVE SUMMARY

The 2024 Alteration of Constitution Bill, introduced before the National Assembly by Hon. Solomon T. Bob, seeks to expunge local government Areas (LGAs) as a constitutionally entrenched level of government in Nigeria.

The amendment would remove local government as an assured constitutional level and eliminate all federal funding of local councils so that their formation, powers, and funding would be entirely in the states. Section 7 of the 1999 Constitution entrenches democratically elected local councils and their functions in planning, elections, and revenue. The amendment would remove these entrenching guarantees and related provisions in Section 162(5).

This paper critically examines the bill's major proposals and their likely effects on Nigeria's federalism. It then lays out workable solutions for safeguarding grassroots administration.



### SPONSOR

**BOB SOLOMON T**

**Representing Abua/Odual and Ahoada East**

*Chairman House Committee on Capital Market and Institutions*

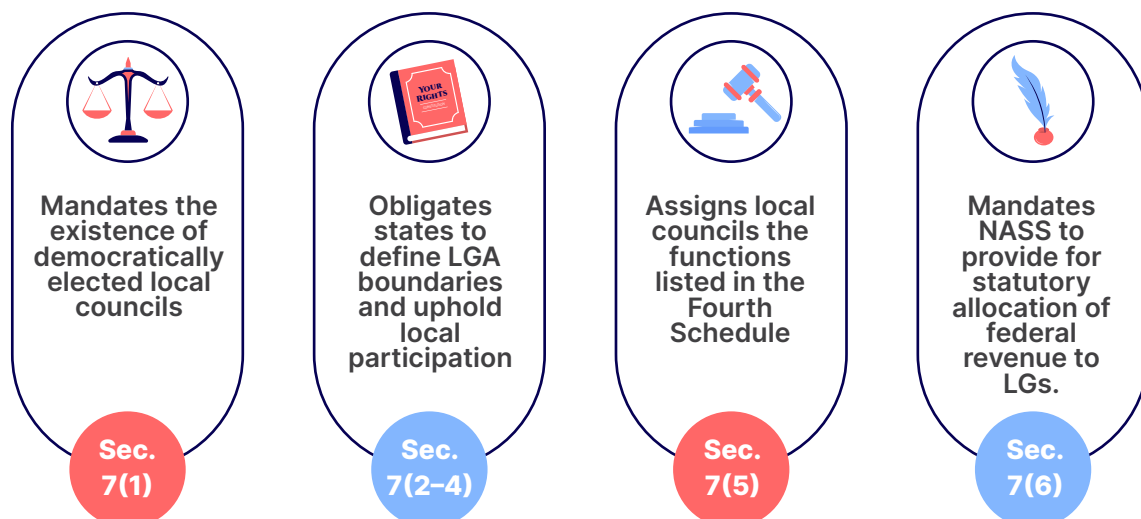
### HB. 1215

*an Act to Alter the Constitution of the Federal Republic of Nigeria, 1999 (Remove local government as a tier of government)*

**Current Status: Awaiting 2nd Reading**



## CURRENT CONSTITUTIONAL FRAMEWORK



Under the 1999 Constitution, Local Government is a constitutionally protected tier. Section 7(1) guarantees “the system of local government by democratically elected local government councils”<sup>1</sup> and obliges each state to establish councils by law. Other subsections specify that states must define LGA boundaries with attention to local interests and traditions, require councils to participate in regional economic planning and secure local elections for anyone eligible for state assembly elections.

Crucially, Section 7(5) assigns local councils the functions listed in the Fourth Schedule, and Sec.7(6) requires the NASS to provide for the statutory allocation of public revenue to local councils from the Federation Account<sup>2</sup>; and each State Assembly is to provide for the allocation of revenue to its local councils.<sup>3</sup>

These provisions create a tripartite fiscal system: By law, about 20–21% of federal revenues are meant for local governments (Section 162(5)–(8) of the Constitution), and LG shares are allocated via the “State Joint Local Government Account.”<sup>4</sup> In practice, states must maintain this joint account but often appropriate LG funds.

<sup>1</sup>Section 7(1)

<sup>2</sup>Section 7(5)

<sup>3</sup>Section 7(6)

<sup>4</sup>Section 162(5)–(8)



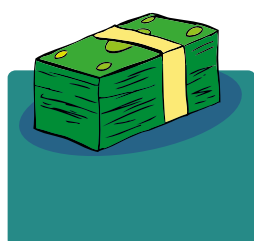
## PROVISIONS OF THE ALTERATION BILL

The bill's explanatory note states its purpose is "to remove Local Government as a tier of government" from the constitution and "vest their creation, powers, and funding exclusively in the State Houses of Assembly." In effect, the bill would:



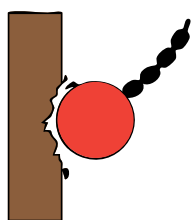
### **Repeal or amend Section 7 in its entirety:**

This bill's passage and signing into law would remove the constitutional guarantee of democratically elected councils. The same applies to LGA boundaries, planning roles, and provisions for voting rights. The Fourth Schedule (defining LG functions) and the functions provision (Section 7(5)) will also be affected.



### **End federal statutory allocations:**

This bill's passage and signing into law would eliminate Section 7(6)(a) requiring the National Assembly to provide revenue to local councils. Section 162's clauses on LGA revenue would be obsolete since "local government" would no longer exist constitutionally. (By analogy, the bill would implicitly repurpose the 21% LG share to states.)



### **Transfer All LG Powers to States:**

The constitutional mandate provided by Section 7, ensuring that states hold LG elections or fund local councils, would no longer be constitutionally bound. All creation, merger, dissolution, and funding of LGs would fall under state law, with no binding federal oversight or allocation.

Each change has profound implications (see next section). For example, eliminating Section 7(4) would end the constitutional right of all assembly-eligible citizens to vote in LG elections, and removing Section 7(6) means no automatic statutory allocation to local councils by any tier of government.



## IMPLICATIONS FOR GOVERNANCE, FEDERALISM, AND SERVICE DELIVERY



### Democratic Participation

**Democratic Participation:** The constitutional guarantee of elected local councils is a cornerstone of grassroots democracy. Removing it means LG councils would exist only at the discretion of state governments. This move risks deeper disenfranchisement because, historically, many governors have ignored LG elections and installed caretaker committees. The Former Executive Director of the Centre for Democracy and Development (CDD), Ms Idayat Hassan, in an article, emphasized that untethering LGAs from state control is key to real democracy “at the local level”; without it, Nigeria “cannot claim to be practicing democracy”<sup>5</sup>. The bill would undercut citizens’ right to elect local representatives directly.



### Potentially Damage to Service Delivery

**Potentially Damage to Service Delivery:** Local governments are the frontline providers of many services in Nigeria. The bill makes no provision for how the states will manage these services. If states restructure LGs, service gaps are likely during transitions. Moreover, local planning (currently mandated by Sec.7(3) with local planning boards) would no longer be constitutionally supported, possibly weakening local development efforts. Without guaranteed funds and elected councils, infrastructure projects and maintenance (which often falter under state control) may suffer. In effect, this bill shifts the decision on local service delivery entirely to state governments, for better or worse.

<sup>5</sup> Idayat Hassan, ‘Nigeria’s constitutional review: the continuing quest for a legitimate Grundnorm’ [2021], <https://constitutionnet.org/news/nigerias-constitutional-review-continuing-quest-legitimae-grundnorm> Accessed on 30 June 2025

<sup>6</sup> Innocent Anaba Vanguard Newspaper, ‘House of Reps considers bill to remove LGs as tier of govt’ [2020], <https://www.vanguardngr.com/2020/12/house-of-reps-considers-bill-to-remove-lgs-as-tier-of-govt/> Accessed on 30 June 2025



### Fiscal Uncertainty and Legal Gaps

**Fiscal Uncertainty and Legal Gaps:** Currently, About 20% of federal revenue is earmarked for local governments (21% by formula). The bill would divert this share to the states or the federal treasury. On one hand, proponents claim this avoids “duplication” and lets states manage development. On the other hand, experience shows that many state governments have already withheld LG funds. A recent Supreme Court ruling (Attorney-General Federation v. Abia State) held that state withholding of LG funds (via the joint account) is unconstitutional<sup>7</sup>. Even without constitutional status, LGAs would still need funding; if states choose not to allocate it, services and salaries could be starved. Nigeria’s former President Obasanjo warned that states “incapacitate” LGs by appropriating their funds, “they have virtually stolen the Local Governments’ money”<sup>8</sup>. Striking constitutional funding provisions risks legal confusion: would states now be required (or even allowed) to take the entire LGA share under Section 162? The bill’s reallocation could either enrich state budgets or, if not carefully specified, create a vacuum where LGAs get no funding.



### Undermining Checks and Balances

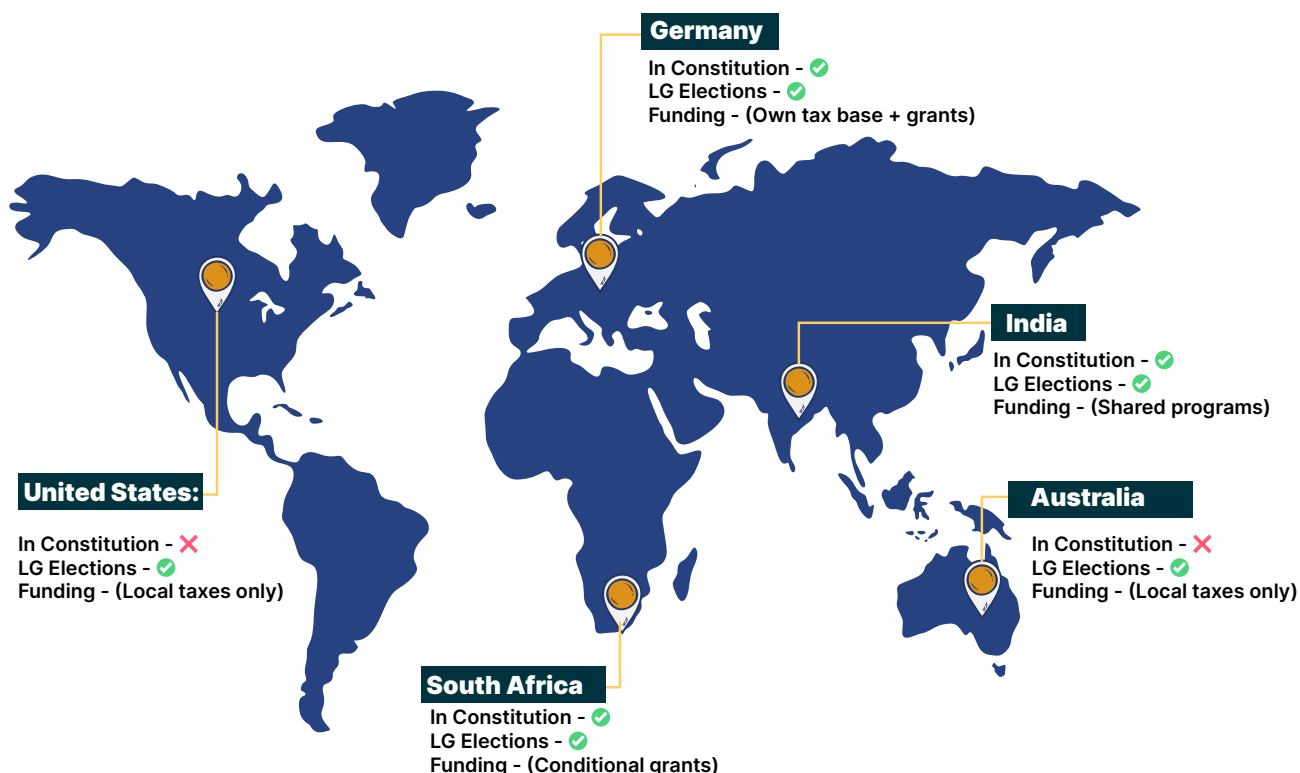
**Checks and Balances:** Section 7(6) also required states to provide by law for LG revenues. With that removed, states have no constitutional duty to share resources downward. This increases the potential for abuse of power. The Supreme Court’s recent findings emphasize that state executives must respect local governance as an autonomous sphere; the Bill would undo this by design. In summary, the governance implication is a stronger centralization at state capitals and a potential loss of accountability at the local level.

<sup>7&8</sup> Victoria Yadeka, ‘The principle of fiscal federalism: an appraisal of the supreme court’s recent decision on local government autonomy’ [2021], <https://pthlp.com/the-principle-of-fiscal-federation-an-appraisal-of-the-supreme-courts-recent-decision-on-local-government-autonomy/> Accessed on 30 June 2025





## COMPARATIVE FEDERAL PRACTICES



*Nigeria's current system aligns with global models that constitutionally protect local governance. The Bill would place Nigeria closer to the U.S. and Australia model, where LGs are entirely state-controlled, but without the tax autonomy those countries provide.*

**United States:** The U.S. Constitution is silent on local governments<sup>9</sup>. Local governments exist entirely under state constitutions and laws (some states guarantee “home rule,” others impose Dillon’s Rule). In practice, local autonomy varies by state, and local revenues come from local taxes, not federal allocations.

The Nigerian bill’s logic of a purely two-tier system echoes the U.S. federal model. However, unlike Nigeria, U.S. states have full constitutional authority over counties/municipalities.

<sup>9&10</sup> Forum of Federations, ‘An international perspective on the constitutional recognition of local government,’ [https://www.forumfed.org/pubs/International\\_Perspectives\\_on\\_the\\_Recognition\\_of\\_Local\\_Government.pdf](https://www.forumfed.org/pubs/International_Perspectives_on_the_Recognition_of_Local_Government.pdf) Accessed on 30 June 2025

India: Contrastingly, India constitutionally recognizes local government. The 73rd and 74th Constitutional Amendments (1992) entrenched Panchayati Raj and municipal bodies as a third-tier<sup>10</sup>.

They have reserved functions and guaranteed elections, though state governments implement them. India's approach is similar to Nigeria's current model: a list of local functions at the federal level, with states empowered to devolve them via legislation. The bill undercuts this model.

South Africa: South Africa's Constitution explicitly creates three government spheres: national, provincial, and local. Section 151 declares that municipalities "must be established for the whole territory" of the country, with their own councils and executive authority<sup>11</sup>. Local government is a distinct sphere with protected autonomy: national and provincial governments may not compromise a municipality's right to govern local affairs. In this model, the bill's proposal would be unconstitutional and contrary to South African practice.

Germany: Germany's Basic Law (Federal Constitution) also protects local self-government. Article 28 guarantees municipalities can regulate local affairs "on their responsibility" within the law, including financial autonomy and a tax base<sup>12</sup>. Federal and state governments must respect this. Nigeria's removal of local autonomy would be at odds with Germany's emphasis on municipal self-rule.

In summary, federal systems take varied approaches: some (US, Australia, Switzerland) leave local governments entirely to the states, while others (India, Brazil, South Africa, Germany, Nigeria) constitutionally entrench local self-government to different degrees. Nigeria's current 3-tier model aligns with the latter group. The bill would shift Nigeria toward the former group, a system in which local governments have no constitutional protection.<sup>13</sup>

<sup>11</sup> Ministry of Justice SA, 'Chapter 7 of the South Africa Constitution', <https://www.justice.gov.za/constitution/SACConstitution-web-eng-07.pdf/> Accessed on 30 June 2025

<sup>12</sup> Federal Ministry of Justice and Consumer Protection, 'Article 28 [Land constitutions – Autonomy of municipalities]', <https://faolex.fao.org/docs/pdf/ger128242E.pdf/> Accessed on 30 June 2025

<sup>13</sup> Forum of Federations, 'An international perspective on the constitutional recognition of local government', [https://www.forumfed.org/pubs/International\\_Perspectives\\_on\\_the\\_Recognition\\_of\\_Local\\_Government.pdf](https://www.forumfed.org/pubs/International_Perspectives_on_the_Recognition_of_Local_Government.pdf) Accessed on 30 June 2025



## ASSESSMENT OF THE BILL'S RATIONALE

The bill's explanatory memorandum argues that a proper federal constitution evinces power-sharing only between two tiers and that the federal listing of LGs makes the system inflexible. It propose that local governments should be the responsibility of the states, created and funded by states alone.

However, this rationale overlooks key points:

- **Federalism Ideals:** International practice shows many federations recognize local governments constitutionally to promote democracy. The argument for two tiers ignores the advantages of a proactive federal role in safeguarding grassroots governance.
- **Practical Realities:** If states are at liberty to create as many as they can fund, experience suggests they may simply avoid creating or funding them. Several states currently postpone LG elections and form caretaker committees, citing a lack of funds. Removing the federal mandate may embolden this trend.
- **Developmental Goals:** The claim of administrative convenience and cultural homogeneity are not guaranteed outcomes. States are often as diverse internally as the Federation, and history shows local identities need constitutional recognition to secure grassroots development and representation.
- **Inflexibility Concern:** Sponsors say the constitutional listing of LGs is "immutable." Yet Section 9 already allows changing the number/composition of LGAs via a bill by a two-thirds majority of state assemblies. The bill would make LGs subject to state whims with no uniform criterion, potentially aggravating disparities.

In balance, the rationale reflects a strong states' rights philosophy. Still, it contradicts the broad consensus in Nigerian constitutional discourse. Recent public consultations emphasized strengthening, not abolishing, local governments and protecting them from state intervention .



## RECOMMENDATIONS

Reject the Bill or Substantially Amend It: Given the risks to democracy and service delivery, the Bill in its current form should be rejected. At minimum, it requires major amendments before endorsement.

- **Strengthen, Don't Eliminate, Local Autonomy:** Policymakers should instead consider measures to bolster local government (e.g., ensuring free, fair LG elections, protecting LG revenue). For example, rather than scrapping constitutional status, Nigeria could amend Section 7 to explicitly forbid undemocratic dissolutions and require timely elections and funding.
- **Maintain Federal Funding Channels with Safeguards:** The Bill's removal of federal funding guarantees removes a layer of oversight. A better reform (consistent with recent Supreme Court guidance) would be to allow the Federation to pay funds directly to local governments or otherwise ensure 21% revenue reaches LGs as intended. If states are to manage local budgets, the federal government should retain a monitoring role to prevent misappropriation.
- **Enhance Intergovernmental Cooperation:** If duplication is a concern, the solution is clearer delineation of LG functions (through state and federal law) rather than abolition. The Fourth Schedule could be updated, or conditional grants instituted, to target projects at the grassroots.
- **Conduct Broad Public Consultations:** Any major change to the governance structure requires wide consultation. Given that civil society and expert opinion strongly favor local democracy, the National Assembly should engage stakeholders (without focusing on partisan media reactions) before altering foundational provisions.



## CONCLUSION

In conclusion, while the Bill invokes “true federalism” as its goal, current constitutional practice, comparative examples, and Nigeria’s socio-political context suggest that preserving a constitutionally protected local tier is more consistent with democratic, developmental, and fiscal objectives. The Bill’s proposed removal of Section 7 and related clauses would be a radical restructuring of Nigeria’s federalism, likely weakening local governance. A prudent approach is to reject the Bill in its present form and focus instead on reforms that empower local governments rather than eliminate them.



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