

Government of Tamilnadu

Abstract

MUNICIPAL FINANCE ENQUIRY COMMITTEE - Recommendation Nos.
1, 6, 7, 9, 10, 11, 17, 28, 29, 32, 33 and 34 of the
Committee - Orders - Issued.

Rural Development and Local Administration Dept.

G. O. Ms. No. 1959

Dt. 30.12.82

Read:-

1. Govt. Lr. No. 2729/M7/81-1, dt. RD & LA, dt. 30.4.81
2. Govt. Lr. No. 2729/M7/81-3, RD & LA, dt. 30.4.81
3. Govt. Lr. No. 2729/M7/81-10, RD & LA, dt. 6.10.81
4. From the Director of Municipal Administration
Lr. No. 10490/78/R2, dt. 28.5.82

Order:-

In the Government letters read above the Director of Municipal Administration has been requested to examine and place the recommendation Nos. 1, 2, 6, 7, 9, 10, 11, 17, 28, 29, 32, 33 and 34 of the Municipal Finance Enquiry Committee before the Tamilnadu District Municipalities Act amendment Committee in the light of the decision taken by the Committee Examining the recommendations of the Municipal Finance Enquiry Committee as these recommendations would involve amendment to the said Act. The Director of Municipal Administration in his letter fourth read above has sent his report on these recommendations.

2. The Government after careful examination pass orders in respect of recommendation Nos. 1, 6, 7, 9, 10, 11, 17, 28, 29, 32, 33 and 34 of the Municipal Finance Enquiry Committee as shown in the annexure to this order.

3. The receipt of this order may be acknowledged.

/By order of the Governor/

Sd/-xx
Commissioner and Secretary to
Government.

/true copy/

ANNEXURE.

| Sl.No. | Recommendation No. | Gist of recommendation | Decision of Government. |
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| 1. | 2. | 3. | 4. |
| 1. | 1 | In a number of Municipalities the rate of taxation is too low to raise sufficient funds for provision of civic amenities at satisfactory levels and the councils are reluctant to raise the rates of taxation and therefore statutory minimum rate of property tax (including Elementary Education tax) at 15% of annual rental value be prescribed. | The amendment committee has suggested draft amendment to Sec. 81 of the Tamilnad Dist. Municipalities Act 1920 for levy of property tax including education tax at not less than 15% of the annual rental value. The Committee's report is under examination of Government. Hence no separate action is considered necessary on this recommendation and it may be treated as accepted in principle. |
| 2. | 6. | Instad of conducting a general quinquennial revision in the entire area of the Municipalities at the same time, revision may be done in 1/5th of the area of each municipality every year, so that the entire area of each Municipality can be covered by revision of property tax once in five years. | The amendment committee has suggested draft amendment to rule 8 to the effect that a general revision of the assessment books shall be made by the Commissioner once in every five years and for this purpose the Commissioner may with the approval of the council, arrange the wards of the towns in such groups as may be considered |

| | 2. | 3. | 4. |
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| | | | necessary and revise the assessment books relating to each such group by rotation once in every five years. The Committee's report is under examination of Government. Hence no separate action is considered necessary on this recommendations and it may be treated as accepted. |
| 3. | 7 | The tax appellate powers of the councils may be restricted by imposing a condition that the reduction of tax should not be more than 50% of the enhanced portion of the tax. | Government considers that orders already issued in G.O.Ms.No.265,RDLA dt.14.2.80 would be sufficient. The recommendation is accordingly deferred. |
| 4. | 9 | The exemption currently enjoyed by the Edl. institutions in Municipalities may be withdrawn by amending the Tamilnadu Dist.Municipalities Act,1920 | The amendment Committee has recommended that no exemption need be granted to edl.institutions including hostels and suggested draft amendment to Sec.83 of the Tamilnadu Dist.Municipalities 1920. The recommendation of the Committee is under consideration of Govt. Hence no separate action is considered necessary on this recommendation. |
| 5. | 10. | An incentive by way of rebate of 3% of tax be allowed when the property tax is paid within the first 3 months of that half year subject to the condition that there are no arrears to be paid in respect of that property. | The amendment committee has suggested draft amendment to Sec.124 of for a discount of 3% for prompt payment and also penalty of 12% per annum for belated tax. The Committee's report is under consideration by Govt. In view of this no separate action is considered necessary in this recommendation. |
| 5. | 11 | The existing practice for the collection of property tax by the bill collectors and counter collection may also be resorted to. | The recommendation of the committee is to continue the existing practice. This is agreed to for the present. |

| 1. | 2. | 3. | 4. |
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| 7. | 17 | The tax on carriages and animals be abolished. | The amendment committee has suggested draft amendment to Sec. 98 Tamilnadu District Municipalities Act, for abolition of tax on animals and to continue the tax on carriages. In view of this no further action is considered necessary on the recommendation. |
| 8. | 28 | Suitable provisions similar to those in the Municipal Corpn. Acts may be made in Tamilnadu Dist. Municipalities Act, 1920 for the levy of Advertisement tax. | The amendment committee has recommended incorporation of new Sec. viz. Sec. 115A empowering the municipal councils to levy a tax on advertisements. The above recommendation of the amendment committee is under examination of Govt. Hence no separate action is considered necessary on this recommendation and this may be treated as accepted. |
| 9. | 29 | The Govt. may examine the feasibility of imposing the levy of a tax by the Municipalities on the floating population visiting the municipal towns and in case the Govt. feel that it is not necessary to tax the floating population in all the municipalities on all days it may at least be done on the days of notified festivals. | The amendment committee has suggested levy of a tax on bus passengers or terminal tax at the rate not exceeding 10 paise for every passenger for the journeys commencing from any part of the Committee has suggested a new Sec. 116.D and it is under examination in Govt. No separate action is therefore considered necessary on this recommendation. |
| 10. | 32. | Sec. 260(2) Tamilnadu Dist. Municipalities Act, 1920 may be suitably amended to provide for fixation of licence fee adopting such method as may be prescribed by the Govt. and for prescribing a procedure stipulating a condition that the council should fix the licence fee for occupation of stalls | The amendment committee has suggested amendment to Sec. 260 of the Act in accordance with the recommendation of the Municipal Finance Enquiry committee. The amendment committee's report is under examination of Govt. Hence no separate action is considered necessary on this recommendation. |

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and shops in the municipal markets in keeping with the rental value of similar premises in the near vicinity and with the approval of the inspector.

11. 33.

Suitable amendment may be made to the Tamilnadu Dist. Municipalities Act enabling the Municipalities to levy licence tax on private market instead of licence fee as at present.

The Govt. as a policy proposed market over the private matters by the Municipalities and panchayats through a special legislation. As such, the question of amending the Act enabling the Municipalities to levy licence tax on private markets instead of licence fee as recommended by Municipal Finance enquiry Committee does not arise. It is therefore considered that the recommendation need not be pursued.

12. 34

The Tamilnadu Dist. Municipalities Act, 1920 may be suitably amended to make it obligatory for the Municipalities to acquire private markets.

The Govt. are already seized of the issue and have proposed to bring in a legislation to acquire the private markets by the Municipalities and panchayats. Hence no separate action is considered necessary on this recommendation.

Sd/-H.B.N.Shetty,
Commissioner and Secretary to Government.

Endt.No.9427/83/C1, dt.3.2.83

/true copy/

Examiner's Office,
Madras.2.

Copy communicated to the Assistant Examiner's in the districts and Regional Deputy Examiners for information

Sd/- G.Naganathan,
for Examiner of L.F.Accounts.

/true copy/

R. Jayal
Superintendent

Rr.