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मध्यप्रदेश राजपत्र

(असाधारण)
प्राधिकार से प्रकाशित

क्रमांक 116]

भोपाल, शुक्रवार, दिनांक 26 फरवरी 2021—फाल्गुन 7, शक 1942

विधि और विधायी कार्य विभाग

भोपाल, दिनांक 26 फरवरी 2021

क्र. 3087-105-इक्कीस-अ(प्रा.).—भारत के संविधान के अनुच्छेद 348 के खण्ड (3) के अनुसरण में मध्यप्रदेश नगरपालिक विधि (द्वितीय संशोधन) विधेयक, 2021 (क्रमांक 2 सन् 2021) का अंग्रेजी अनुवाद राज्यपाल के प्राधिकार से एतद्द्वारा प्रकाशित किया जाता है.

मध्यप्रदेश के राज्यपाल के नाम से तथा आदेशानुसार,
आर. पी. गुप्ता, अवर सचिव.

MADHYA PRADESH BILL
NO. 2 OF 2021

**THE MADHYA PRADESH NAGARPALIK VIDHI (DWTIYA SANSHODHAN)
VIDHEYAK, 2021**

A Bill further to amend the Madhya Pradesh Municipal Corporation Act, 1956 and the Madhya Pradesh Municipalities Act, 1961.

Be it enacted by the Madhya Pradesh Legislature in the seventy-second year of the Republic of India as follows :—

Short title.

1. This Act may be called the Madhya Pradesh Nagarpalik Vidhi (Dwitiya Sanshodhan) Adhiniyam, 2021.

PART I

AMENDMENT TO THE MADHYA PRADESH MUNICIPAL CORPORATION ACT, 1956 (NO. 23 OF 1956)

Amendment of
the Madhya
Pradesh Act No.
23 of 1956.

2. In the Madhya Pradesh Municipal Corporation Act, 1956 (No. 23 of 1956),—

(1) In Section 5, after sub-section (56-a), the following sub-section shall be inserted, namely:—

"(56-b) 'Taxable Property Value' means value of property calculated in a manner as prescribed for the purpose of levy of property tax under clause (a) of sub-section (1) of Section 132 for a particular year."

(2) In Section 132,—

(i) in the marginal heading, after the word "Taxes", the words "and Fees" shall be inserted.

(ii) in sub-section (1),—

(a) after the word "taxes", the words "and fees" shall be inserted;

(b) in clause (a), for the words "annual letting value", the words "taxable property value" shall be substituted;

(c) clause (f) shall be omitted.

(iii) in sub-section (6),—

(a) after the word "taxes", wherever it occurs, the words "or fees" shall be inserted;

(b) for clause (l), the following clause shall be substituted, namely:—

"(l) fee for regulation of display of out-door media devices;"

(iv) in sub-section (8), after the word "tax", the words "and fee" shall be inserted.

(3) In Section 132-A, for the existing marginal heading, the following marginal heading shall be substituted, namely:—

"User Charges to be imposed under this Act."

(4) In Section 133,—

- (i) for the existing marginal heading, the following marginal heading shall be substituted, namely:—

"Imposition of taxes, fees and user charges."

(ii) in sub-section (1),—

- (a) in clause (a), after the word "fees", the words "or user charges" shall be inserted;
- (b) in clause (b), after the word "fees", the words " or user charges" shall be inserted.

(iii) in sub-section (2),—

- (a) in clause (a), after the words "fees" or "fee", wherever they occur, the words "or user charges" shall be inserted;
- (b) in clause (b), after the word "fee", wherever it occurs, the words "or user charges" shall be inserted.

- (iv) in sub-section (3), after the word "fee" wherever it occurs , the words "or user charges" shall be inserted.

- (5) in Section 135, for the words "annual letting value", the words "taxable property value" shall be substituted.

(6) In Section 136,—

- (i) in clause (b) and in its proviso, for the words "annual value" wherever they occur, the words "taxable property value" shall be substituted.
- (ii) in proviso of clause (f), for the words "annual value" the words "taxable property value" shall be substituted.
- (iii) in clause (i), after the words "exempted from property tax to the extent of fifty percent", the words "however, this exemption shall be available if property tax is paid within the same financial year in which tax is due" shall be added.

(7) in Section 138,—

- (i) for the existing marginal heading, the following marginal heading shall be substituted, namely:—

"Taxable property value of building and land."

- (ii) in sub-section (1), for the words " annual letting value", the words "taxable property value" and for the words "of the built up area", the words "of the constructed area" shall be substituted.
- (iii) in sub-section (2), for the words "annual letting value", the words "taxable property value" shall be substituted.

(iv) for sub-section (3), the following sub-section shall be substituted, namely:—

"(3) Commissioner suo-moto or on the basis of information obtained may scrutinize, examine, asses or verify the taxable property value of any land or building assessed under sub-section (2). Variation up to ten percent on the either side shall be ignored. In case the variation is more than ten percent, the owner of land or building, as the case may be, shall be liable to pay penalty equal to five times the difference of self assessment made by him and the assessment made by the Commissioner:

Provided that the Commissioner may scrutinize, examine, assess or verify the returns of pervious three assessment years filed under sub-section (2)."

(v) in sub-section (4), for the full stop, colon shall be substituted and thereafter, the following proviso shall be added, namely:—

"Provided that no appeal under this sub-section shall be admitted unless accompanied by proof of payment of at least fifty percent of the amount demanded in the order under sub-section (3)."

(8) Section 143 shall be omitted.

(9) In Section 144,—

(i) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Powers to obtain information."

(ii) in the opening para, the words "To enable him to prepare the assessment list" shall be deleted.

(10) Section 145 shall be omitted.

(11) Section 146 shall be omitted.

(12) Section 147 shall be omitted.

(13) Section 148 shall be omitted.

(14) In Section 149,—

(i) for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:—

"(1) If any dispute arises as to the decision of Mayor in Council under sub-section (4) of Section 138 of this Act, an appeal shall lie from the decision of the Mayor in Council to the District Court, whose decision shall be final thereupon.

(2) Such an appeal shall be presented before the District Court within 30 days from the date of the order passed under sub-section (4) of Section 138."

(ii) Sub-section (4) shall be omitted.

(15) Section 150 shall be omitted.

(16) for Section 151, the following Section shall be substituted, namely:—

"151. Keeping records of taxes.- The records of taxes shall be kept by the Corporation in the manner prescribed by the Government.

(17) Section 152 shall be omitted.

(18) Section 153 shall be omitted.

(19) Section 154 shall be omitted.

(20) Section 156 shall be omitted.

(21) Section 157 shall be omitted.

(22) Section 158 shall be omitted.

PART II
AMENDMENT TO THE MADHYA PRADESH MUNICIPALITIES ACT, 1961
(NO. 37 OF 1961)

3. In the Madhya Pradesh Municipalities Act, 1961 (No. 37 of 1961),—

**Amendment of
the Madhya
Pradesh Act No.
37 of 1961.**

(1) (i) in Section 3, after sub-section (37), the following sub-section shall be inserted, namely:—

"(37-a) 'Taxable Property Value' means value of property calculated in a manner as prescribed for the purpose of levy of property tax under clause (a) of sub-section (1) of Section 127 for a particular year."

(ii) the existing sub-section (37-a) shall be renumbered as sub-section (37-b).

(2) In Section 126,—

(i) for the existing marginal heading, the following marginal heading shall be substituted, namely:—

"Taxable property value of land and building.";

(ii) in sub-section (1), for the words "annual letting value", the words "taxable property value", and for the words "of the built up area" the words "of the constructed area" shall be substituted;

(iii) in sub-section (2), for the words "annual letting value" the words "taxable property value" shall substituted;

(iv) for sub-section (3), the following sub-section shall be substituted, namely:—

"(3) Chief Municipal Officer suo-moto or on the basis of information obtained may scrutinize, examine, asses or verify the taxable property value of any land or building assessed under sub-section (2). Variation up to ten percent on the either side shall be ignored. In case the variation is more than ten percent, the owner of land or building, as the case may be, shall be liable to pay penalty equal to five times the difference of self assessment made by him and the assessment made by the Chief Municipal Officer:

Provided that the Chief Municipal Officer may scrutinize, examine, assess or verify the returns of previous three assessment years filed under sub-section (2).";

- (v) in sub-section (4), for the full stop, colon shall be substituted and thereafter, the following proviso shall be added, namely:—

"Provided that no appeal under this sub-section shall be admitted unless accompanied by proof of payment of at least fifty percent of the amount demanded in the order under sub-section (3).".

- (3) In Section 127,—

- (i) in the marginal heading, after the word "Taxes" the words "and Fees" shall be inserted.

- (ii) in sub-section (1),—

- (a) after the word "taxes", the words "and fees" shall be inserted;

- (b) in clause (a), for the words "annual letting value" the words "taxable property value" shall be substituted;

- (c) clause (f) shall be omitted.

- (iii) in sub-section (6),—

- (a) after the word "taxes", the words "or fees" shall be inserted.

- (b) for clause (1), the following clause shall be substituted, namely:-

- "(1) fee for regulation of display of out-door media devices;"

- (iv) in sub-section (8), after the word "tax", the words " and fee" shall be inserted.

- (4) In Section 127-A,—

- (i) in sub-section (1), for the words "annual letting value", the words "taxable property value" shall be substituted;

- (ii) in sub-section (2),—

- (a) in clause (b) and in its proviso, for the words "annual letting value" wherever they occur, the words "taxable property value" shall be substituted;

- (b) in the proviso to clause (f), for the words "annual letting value" the words "taxable property value" shall be substituted;

- (c) in clause (i), after the words "exempted from property tax to the extent of fifty percent", the words "however, this exemption shall be available if property tax is paid within the same financial year in which the tax is due" shall be added.

(5) After Section 127-A, the following Section shall be inserted, namely:—

"127-AA.(1) Notwithstanding anything contained in sub-section (1) and (2) of Section 127-A the Council may, if it think fit, direct by resolution that a discount not exceeding six and a quarter percent shall be allowed on the amount due from every person who pays the tax due before such date as the Council shall fix: **Discount on property tax.**

Provided that the discount shall be allowed at the same rate to all persons entitled thereto.

(2) The council may at any time revoke a resolution under this Section."

(6) In Section 127-B, for the existing marginal heading, the following marginal heading shall be substituted, namely:—

"User charges to be imposed under this Act."

(7) In Section 129,—

(i) in the marginal heading, after the word "fees", the words "and user charges" shall be added.

(ii) in sub-section (1),—

(a) in clause (a), after the word "fees", the words "or user charges" shall be inserted;

(b) in clause (b), after the word "fees", the words "or user charges" shall be inserted.

(iii) in sub-section (2),—

(a) in clause (a), after the word "fee" wherever it occurs, the words "or user charges" shall be inserted;

(b) in clause (b), after the word "fee" wherever it occurs, the words "or user charges" shall be inserted.

(iv) in sub-section (3), after the word "fee", wherever it occurs, the words "or user charges" shall be inserted.

(8) For Section 134, the following Section shall be substituted, namely:—

"134. Keeping records of taxes.- The records of taxes shall be kept by the Municipality in the manner prescribed by the Government."

(9) Section 135 shall be omitted.

(10) Section 136 shall be omitted

(11) Section 137 shall be omitted.

(12) Section 138 shall be omitted.

(13) In section 139,—

(i) for sub-sections (1) and (2), the following sub-sections shall be substituted, namely:—

"(1) If any dispute arises as to the decision of President in Council under sub-section (4) of section 126 an appeal shall lie to the Civil Judge Class-I having jurisdiction over the Municipal area and if there is no Civil Judge Class-I at the headquarter of the Municipality, then the same shall be filed before the Civil Judge Class II having jurisdiction at such headquarter and if there is no Civil Judge Class II at such headquarter and in case of more than one Civil Judge at the headquarter or having jurisdiction as the case may be, then the District Judge may specify as to which Civil Judge Class-II such appeal shall lie.

(2) Such an appeal shall be presented before the Civil Judge Class-I within 30 days from the date of the order passed under sub-section (4) of section 126."

(ii) Sub-section (4) shall be omitted.

(14) Section 140 shall be omitted.

(15) Section 141 shall be omitted.

(16) Section 142 shall be omitted.

(17) For section 143, the following section shall be substituted, namely:—

"143. Power to obtain information.—(1) The Chief Municipal Officer shall, by written notice, require the owner or occupier of any land or building or any portion thereof to furnish him within such a reasonable period as the Chief Municipal Officer may fix, with information or with a written return signed by such owner or occupier,—

(a) as to the name and place of abode of the owner or occupier, or of both the owner and occupier of such land or building; and

(b) as to the measurement or the gross annual rent or revenue or the description or other specified details or the actual cost or estimated market value of such land or building.

(2) Every owner or occupier from whom any such requisition is made shall be bound to comply with the same and to give true information or to make a true return to the best of his knowledge and belief.

(3) Whoever omits without reasonable cause to comply with such requisition or furnishes a return which is untrue, shall in addition to any other punishment to which he may be liable, be precluded from objecting any assessment made by the Chief Municipal Officer in respect of such land or building of which he is the owner or occupier."

(18) Section 145 shall be omitted.

(19) Section 146 shall be omitted.

4.(1) The Madhya Pradesh Nagarpalik Vidhi (Dwitiya Sanshodhan) Adhyadesh, 2020 (No.12 of 2020) is hereby repealed. **Repeal and saving.**

(2) Notwithstanding the repeal of the said Ordinance, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act.

STATEMENT OF OBJECTS AND REASONS

The Central Government has given instructions to the State Government to undertake certain reforms to draw additional borrowing of 2 percent of Gross State Domestic Product in the years 2020-21. To access the additional borrowing, the State Government is required to link the floor rate of the property tax to the circle rate and determine the floor rate of consumer charges of water, sewerage etc. in such a manner that it is based on the current cost incurred on these services. Hence, the determination of property tax has been proposed on the basis of value of properties determined under guidelines of the Collector.

2. To link the minimum rates of property tax to value of properties determined under the guidelines of the collector based on provisions of Acts of some States' amendments have been proposed in section 132, 135, 136 and 138 of the Madhya Pradesh Municipal Corporation Act, 1956 and section 126, 127 and 134 of the Madhya Pradesh Municipalities Act, 1961 to substitute "Annual Letting Value" with "Taxable Property Value".

3. As a result of implementation of Goods and Service Tax, clause (f) of sub-section (1) of section 132 of the Madhya Pradesh Municipal Corporation Act, 1956, related to "a local body tax on entry of Goods" has become inapplicable, hence it is proposed to be deleted and is proposed to amend clause (1) of sub-section (6) of section 132 by replacing existing provision of "tax on advertisements other than advertisements published in newspaper" with "Fee on display of out-door media devices" as the same has been deleted from the State list under the Constitution. Similarly amendments are also proposed in section 127 of the Madhya Pradesh Municipalities Act, 1961.

4. In sections 136 of the Madhya Pradesh Municipal Corporation Act, 1956 relating to exemption to the extent of 50 percent in property tax to the building and lands in occupation of owners for his residence, is proposed to amend this section and grant such exemption if the owner pays tax during the same financial year in which tax becomes due. Similarly amendment in section 127-A of the Madhya Pradesh Municipalities Act, 1961 is also proposed.

5. Obsolete provisions due to introduction of self-assessment property tax under various sections of the Madhya Pradesh Municipal Corporation Act, 1956 and the Madhya Pradesh Municipalities Act, 1961 have been proposed to be amended.

6. For imposition of user charges amendments have been proposed in sections 132, and 133 of the Madhya Pradesh Municipal Corporation Act, 1956 and section 129 of the Madhya Pradesh Municipalities Act, 1961.

7. As the matter was urgent and the Legislative Assembly was not in session, the Madhya Pradesh Nagarpalik Vidhi (Dwitiya Sanshodhan) Adhyadesh, 2020 (No. 12 of 2020) was promulgated for the purpose. It is now proposed to replace the said Ordinance by an Act of the State Legislature without any modification.

8. Hence this Bill.

BHOPAL :
Dated, the 12th February, 2021

BHUPENDRA SINGH
Member-in-Charge.