

THE PUDUCHERRY MOTOR VEHICLES  
TAXATION (AMENDMENT) BILL, 2020  
(Bill No. 7 of 2020)

A

BILL

**further to amend the Puducherry Motor Vehicles Taxation  
Act, 1967.**

BE it enacted by the Legislative Assembly of Puducherry in the Seventy-first Year of the Republic of India as follows:—

Short title and commencement. 1. (1) This Act may be called the Puducherry Motor Vehicles Taxation (Amendment) Act, 2020.

(2) It shall come into force on and from the date of its publication in the Official Gazette.

Amendment of section 11. 2. In the Puducherry Motor Vehicles Taxation Act, 1967, for the existing section 11, the following shall be substituted, namely,— Act No. 5 of 1967.

“11. Recovery of tax, compounding fee and other dues payable to the Transport Department by auctioning the detained vehicles lying unclaimed:

(1) Any due under this Act or any compounding amount or any other amount payable to the Transport Department by any vehicle owner shall be recovered in the same manner as an arrear of land revenue under the law for the time being in force for the recovery of land revenue.

(2) The motor vehicle in respect of which the tax or any compounding amount or any other amount payable to the Transport Department, the said motor vehicle or its accessories may be distrained and sold in pursuance of this section, whether or not such motor vehicle or its accessories are in the possession or control of the person liable to pay the tax or compounding amount or any other amount payable to the Transport Department.

(3) The Transport Commissioner or any other officer empowered by him in this behalf, shall furnish to the person employed to distrain the motor vehicle of a defaulter (hereinafter called the distrainer) as stated in sub-section (1) of this section, a demand in writing, duly signed by him, specifying the name of the defaulter, the amount of arrear/due for which the distress is to be issued and the date on which the arrear/amount payable fell due.

(4) The distrainer shall issue a demand to the defaulter through post or mail or by any other relevant mode of communication to the last available address of the defaulter/registered owner of the motor vehicle, by granting 15 days time to settle the dues.

(5) In case, if, the defaulter/registered owner is absent or not available or not resides in the last available address and his/her present residential address is not known, the demand shall be published in the leading newspaper by granting 15 days time to settle the tax/arrears/dues/amount payable to the Transport Department.

(6) Where the amount due is not paid in accordance with the terms of the demand issued as per sub-sections (3) and (4) of this section and within the time-limit prescribed, and no arrangement for securing such amount has been entered into, to the satisfaction of the Transport Commissioner or the distrainer, who shall transmit an inventory of the property distrained, for auctioning, as may be deemed fit, so that it may be publicly sold and the proceeds of the auction shall go for the discharge of tax/arrears/dues/amount payable to the Transport Department, with the cost of distraint, if any.

(7) Distress to be withdrawn, prior to the sale, if, the defaulter/registered owner tenders payment or come forward to discharge the tax/ arrears/dues/amount payable to the Transport Department, alongwith all other necessary expenses attending the distress, after his/her motor vehicle/property has been distrained, but, prior to the date of sale, the distrainer shall receive the amount so tendered and shall release the property, forthwith.

(8) The distress levied shall not be excessive, that is to say, the property distrained shall be as nearly as possible proportionate to the tax/ arrears/dues/amount payable to the Transport Department.

(9) In case, the proceeds of auction is more than the dues accrued against the vehicle, excess amount shall stand forfeited to the public revenue, unless a claim to that effect is made in writing to the Transport Commissioner by the registered owner within 15 days of conduct of auction. If, the claim is found to be in order, the excess amount, after deducting the cost of auction process, shall be payable to the registered owner within 15 days of the filing of claim.

(10) If, the amount realized is less, any dues to the Transport Department, then the excess amount to be payable shall be recovered from the defaulter by auctioning other properties of registered owner as arrear of land revenue, the defaulter is known.”

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**STATEMENT OF OBJECTS AND REASONS**

Transport Department is conducting regular enforcement drives to ensure the provisions of the Motor Vehicles Act, 1988 and the rules made thereunder and for road safety. During the drives, the defaulted vehicles are being seized by the Motor Vehicle Inspectors after issuing challans/check reports stating the reasons in writing for such seizure. These vehicles are being released from the custody, if, the owners pay the compounding fee as applicable. Some of the owners of such seized vehicles are not turned up to claim their vehicles for various reasons. Such unclaimed vehicles are being kept in the premises of the Transport Department for longer periods, occupying the valuable space, causing inconvenience to the general public. Further, at present, there is no provision to recover the compounding fees, penalties and other dues payable to the Transport Department other than the tax. Hence, in order to recover all the possible dues, apart from tax *i.e.*, compounding fee, penalties or any other dues payable to the Transport Department and to dispose off the unclaimed motor vehicles from the valuable space occupied by such vehicles, which may be used for other useful purposes and to make it convenient to the general public visiting the Transport Department for various services, it is proposed to amend section 11 of the Puducherry Motor Vehicles Taxation Act, 1967, accordingly.

2. For the above purpose, it is proposed to introduce a Bill titled as "The Puducherry Motor Vehicles Taxation (Amendment) Bill, 2020".

3. The Bill seeks to achieve the above object.

**M.O.H.F. SHAHJAHAN**  
Transport Minister.

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## FINANCIAL MEMORANDUM

The proposed amendment in section 11 of the Puducherry Motor Vehicles Taxation Act, 1967 providing for recovery of tax, compounding fee, penalties and other dues, payable to the Transport Department, by auctioning the detained unclaimed vehicles, in the Union Territory of Puducherry, is expected to result in an appreciable quantum of revenue to the Government. Further, the provisions of the Bill do not involve any other expenditure.

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ADMINISTRATOR'S RECOMMENDATION UNDER  
SUB-SECTION (1) OF SECTION 23 OF THE GOVERNMENT  
OF UNION TERRITORIES ACT, 1963

[Copy of the Letter No. 1412/TD/RTO(HQ)/PA/2018, dated 17-07-2020 from Thiru M.O.H.F. Shahjahan, Hon'ble Transport Minister to the Hon'ble Speaker, Legislative Assembly, Puducherry]

The Lieutenant-Governor, Puducherry, having been informed of the subject matter of the proposed Puducherry Motor Vehicles Taxation (Amendment), Bill, 2020, providing for recovery of tax, compounding fee, penalties and other dues, payable to the Transport Department, by auctioning the detained unclaimed vehicles, recommends under sub-section (1) of section 23 of the Government of Union Territories Act, 1963, the introduction in and consideration by the Legislative Assembly of the said Bill.

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