



# TAMIL NADU GOVERNMENT GAZETTE

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## Part IV—Section 1

### Tamil Nadu Bills

#### CONTENTS

	<i>Pages.</i>
BILLS :	
<del>Bill No. 4 of 2018—The Tamil Nadu Transparency in Tenders (Amendment) Act, 2018 .. .. .</del>	12-14
<del>Bill No. 5 of 2018—The Tamil Nadu Local Authorities Entertainments Tax (Amendment) Act, 2018 .. .. .</del>	15-16
<del>Bill No. 6 of 2018—The Tamil Nadu Municipal Laws (Amendment) Act, 2018 ..</del>	17-22
Bill No. 7 of 2018—The Tamil Nadu Municipal Laws (Second Amendment) Act, 2018	23-26
<del>Bill No. 8 of 2018—The Tamil Nadu Municipal Laws (Third Amendment) Act, 2018</del>	27-38
<del>Bill No. 9 of 2018—The Tamil Nadu Local Bodies Laws (Amendment) Act, 2018</del>	39-42
<del>Bill No. 10 of 2018—The Tamil Nadu Panchayats (Amendment) Act, 2018 ..</del>	43-46
<del>Bill No. 11 of 2018—The Tamil Nadu Dr. M.G.R. Medical University, Chennai ..</del>	47-50

Under rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the State of Tamil Nadu on 11th January, 2018 is published together with Statement of Objects and Reasons for general information:—

**L.A. Bill No. 7 of 2018**

***A Bill further to amend the laws relating to the Municipal Corporations and Municipalities in the State of Tamil Nadu.***

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Sixty-eighth Year of the Republic of India as follows:—

**PART-I.**

PRELIMINARY.

1. (1) This Act may be called the Tamil Nadu Municipal Laws (Second Amendment) Act, 2018.

Short title and commencement.

(2) It shall come into force at once.

**PART-II.**

AMENDMENTS TO THE CHENNAI CITY MUNICIPAL CORPORATION ACT, 1919.

Tamil Nadu Act IV of 1919.

2. In section 101 of the Chennai City Municipal Corporation Act, 1919,—

Amendment of section 101.

(1) for clause (c), the following clause shall be substituted, namely :—

“(c) buildings used for educational purpose including hostels and libraries, run by the Government or corporation or any other local authority or institutions aided by the Government and buildings used for charitable purpose of sheltering the destitute or animals and orphanages, homes and schools for the deaf and dumb, asylum for the aged and fallen women and such similar institutions run purely on philanthropic lines as are approved by the council:

Provided that the buildings used for educational purpose by the Government aided institutions for conducting self-financing courses shall be subject to levy of property tax;”;

(2) in the proviso, for the expression “clauses (a), (c) and (e)”, the expression “clauses (a) and (e)” shall be substituted.

**PART-III.**

AMENDMENTS TO THE MADURAI CITY MUNICIPAL CORPORATION ACT, 1971.

Amendment of section 122.

3. In section 122 of the Madurai City Municipal Corporation Act, 1971,—

Tamil Nadu Act 15 of 1971.

(1) for clause (c), the following clause shall be substituted, namely :—

“(c) buildings used for educational purpose including hostels and libraries, run by the Government or corporation or any other local authority or institutions aided by the Government and buildings used for charitable purpose of sheltering the destitute or animals and orphanages, homes and schools for the deaf and dumb, asylum for the aged and fallen women and such similar institutions run purely on philanthropic lines as are approved by the council:

Provided that the buildings used for educational purpose by the Government aided institutions for conducting self-financing courses shall be subject to levy of property tax;”;

(2) in the proviso, for the expression “clauses (a), (c) and (e)”, the expression “clauses (a) and (e)” shall be substituted.

**PART-IV.**AMENDMENTS TO THE COIMBATORE CITY MUNICIPAL CORPORATION  
ACT, 1981.Amendment of  
section 123.

4. In section 123 of the Coimbatore City Municipal Corporation Act, 1981,—

Tamil Nadu Act  
25 of 1981.

(1) for clause (c), the following clause shall be substituted, namely :—

“(c) buildings used for educational purpose including hostels and libraries, run by the Government or corporation or any other local authority or institutions aided by the Government and buildings used for charitable purpose of sheltering the destitute or animals and orphanages, homes and schools for the deaf and dumb, asylum for the aged and fallen women and such similar institutions run purely on philanthropic lines as are approved by the council:

Provided that the buildings used for educational purpose by the Government aided institutions for conducting self-financing courses shall be subject to levy of property tax;”;

(2) in the proviso, for the expression “clauses (a), (c) and (e)”, the expression “clauses (a) and (e)” shall be substituted.

**PART-V.**AMENDMENTS TO THE TAMIL NADU DISTRICT MUNICIPALITIES  
ACT, 1920.Amendment of  
section 83.

5. In section 83 of the Tamil Nadu District Municipalities Act, 1920, in sub-section (1),—

Tamil Nadu Act  
V of 1920.

(1) for clause (c), the following clause shall be substituted, namely :—

“(c) buildings used for educational purpose including hostels and libraries, run by the Government or municipality or any other local authority or institutions aided by the Government and buildings used for charitable purpose of sheltering the destitute or animals and orphanages, homes and schools for the deaf and dumb, asylum for the aged and fallen women and such similar institutions run purely on philanthropic lines as are approved by the council:

Provided that the buildings used for educational purpose by the Government aided institutions for conducting self-financing courses shall be subject to levy of property tax;”;

(2) in the proviso, for the expression “clauses (a), (c) and (e)”, the expression “clauses (a) and (e)” shall be substituted.

**STATEMENT OF OBJECTS AND REASONS**

As per rule 15(c) of the Tamil Nadu Village Panchayats (Assessments and Collection of Taxes) Rules, 1999, only the buildings used for educational purposes including hostels and libraries run by the Government or local bodies and institutions aided by the Government are exempted from payment of house tax, whereas, under the municipal laws governing the Municipal Corporations, Municipalities and Town Panchayats, all buildings used for educational purposes are exempted from payment of property tax. The Third State Finance Commission has, among others, recommended that the provisions exempting all educational institutions from payment of property tax shall be removed. Based on the above recommendations, the Government have decided to do away with the exemption given from payment of property tax for all the buildings used for educational purpose except those which are run by the Government or Corporation or any other Local Authority or Institutions aided by the Government and also to have uniformity in the assessment of property tax.

2. Accordingly, the Government have decided to amend the provisions relating to the payment of property tax in the Chennai City Municipal Corporation Act, 1919 (Tamil Nadu Act IV of 1919), the Madurai City Municipal Corporation Act, 1971 (Tamil Nadu Act 15 of 1971), the Coimbatore City Municipal Corporation Act, 1981 (Tamil Nadu Act 25 of 1981) and the Tamil Nadu District Municipalities Act, 1920 (Tamil Nadu Act V of 1920) suitably on the lines of the provisions contained in rule 15(c) of the Tamil Nadu Village Panchayats (Assessments and Collection of Taxes) Rules, 1999.

3. The Bill seeks to give effect to the above decision.

**S.P. VELUMANI,**  
*Minister for Municipal Administration and  
Rural Development, Implementation of  
Special Programme.*

K. BOOPATHY,  
*Secretary*