



ABSTRACT

Urban Local Bodies (other than Chennai Corporation) – Tax on Vacant Lands – Tamil Nadu Town Panchayats, Third Grade Municipalities, Municipalities and Municipal Corporations (except Chennai) (Levy of Property Tax on Vacant Land) Rules, 2009 – Issued.

Municipal Administration & Water Supply (Election) Department

G.O.(Ms) No.151

Dated: 20.8.2009.

Read:

Tamil Nadu Municipal Laws (Amendment) Act, 2009 (Tamil Nadu Act 15 of 2009)

ORDER:-

Section 81 (3) (a) of the Tamil Nadu District Municipalities Act, 1920 (Tamil Nadu Act V of 1920), section 120 (4) (a) of the Madurai City Municipal Corporation Act, 1971 (Tamil Nadu Act 15 of 1971) and section 121 (4) (a) of the Coimbatore City Municipal Corporation Act, 1981 (Tamil Nadu Act 25 of 1981), provide for the levy of property tax on vacant lands which are not used exclusively for agricultural purposes and are not occupied by, or adjacent and appurtenant to buildings, based on the capital value of the said lands.

2. The Third State Finance Commission has recommended that the said sections may be amended suitably on the lines of rule 114 of the Tamil Nadu Urban Local Bodies Rules, 2000 (which has been kept under suspension), so as to levy the property tax on vacant lands subject to the minimum and maximum rates per square foot fixed by the Government, instead of fixing the said tax, based on the capital value of the vacant lands. The High Level Committee constituted to examine devolution of more powers and functions upon Urban Local Bodies has also recommended that necessary action may be pursued to implement the said recommendation of the Third State Finance Commission.

3. The Government have accepted the said recommendation of the Third State Finance Commission and the High Level Committee, and accordingly by the Tamil Nadu Municipal Laws (Amendment) Act, 2009 (Tamil Nadu Act 15 of 2009), the laws relating to the Municipalities and Municipal Corporations (except Chennai) have been amended suitably for the purpose. The said Amendment Act is being brought into force with effect from the 1st September of 2009.

4. As per the amendments made by the said Act, the property tax on vacant lands is to be levied on Square foot basis, subject to the minimum and maximum rates fixed by the Government. Government have accepted the minimum and maximum of property tax rates per square foot, to be levied on the vacant lands recommended by the Third State Finance Commission and accordingly prescribe the same. The appended notification will be published in an Extra-ordinary issue of the Tamil Nadu Government Gazette, dated, the 20th August 2009.

(BY ORDER OF THE GOVERNOR)

**NIRANJAN MARDI
SECRETARY TO GOVERNMENT**

To

The Works Manager, Government Central Press, Chennai – 79 (To publish the Notification in the Tamil Nadu Government Gazette Extra Ordinary and to send 300 copies to Government)

The Director of Municipal Administration, Chepauk, Chennai – 5. (The Director of Municipal Administration is requested to communicate this order to Commissioners of All Corporations and Municipalities.)

The Director of Town Panchayats, Kurulagam, Chennai – 108. (The Director of Town Panchayats is requested to communicate this order to the Executive Officers of all Town Panchayats.)

All Regional Directors of Municipal Administration.

The Director of Local Fund Audit. Kuralagam, Chennai – 108.

Copy to:-

Chief Minister's Office, Chennai – 9.

Special Personal Assistant to Hon'ble Deputy Chief Minister, Chennai – 9.

The Commissioner, Corporation of Chennai, Chennai – 3.

The Finance Department, Chennai – 9.

The Law Department, Chennai – 9.

//Forwarded by Order//

Section Officer.

APPENDIX.

NOTIFICATION.

In exercise of the powers conferred by section 303 read with clause (a) of sub-section (3) of section 81 of the Tamil Nadu District Municipalities Act, 1920 (Tamil Nadu Act V of 1920), section 431 read with clause (a) of sub-section (4) of section 120 of the Madurai City Municipal Corporation Act, 1971 (Tamil Nadu Act 15 of 1971) and section 430 read with clause (a) of sub-section (4) of section 121 of the Coimbatore City Municipal Corporation Act, 1981 (Tamil Nadu Act 25 of 1981), section 11 of the Tiruchirappalli City Municipal Corporation Act, 1994 (Tamil Nadu Act 27 of 1994), section 11 of the Tirunelveli City Municipal Corporation Act, 1994 (Tamil Nadu Act 28 of 1994), section 11 of the Salem City Municipal Corporation Act, 1994 (Tamil Nadu Act 29 of 1994), section 10 of the Tiruppur City Municipal Corporation Act, 1994 (Tamil Nadu Act 7 of 2008), section 10 of the Erode City Municipal Corporation Act, 2008 (Tamil Nadu Act 8 of 2008), section 10 of the Vellore City Municipal Corporation Act, 2008 (Tamil Nadu Act 26 of 2008) and section 10 of the Thoothukudi City Municipal Corporation Act, 2008 (Tamil Nadu Act 27 of 2008) the Governor of Tamil Nadu hereby makes the following rules:-

RULES.

1.Short title, application and commencement.— (1) These rules may be called the Tamil Nadu Town Panchayats, Third Grade Municipalities, Municipalities and Municipal Corporations (Levy of Property Tax on Vacant Land) Rules, 2009.

(2) They shall apply to all the Town Panchayats, Third Grade Municipalities, Municipalities and Municipal Corporations other than Municipal Corporation of Chennai.

(3) They shall come into force on the first day of September 2009.

2.Gradation of Town Panchayats, Municipalities and Municipal Corporations.- For the purpose of fixation of rate of property tax on vacant land, the Town Panchayats, Third Grade Municipalities, Municipalities and Municipal Corporations shall be graded as specified below:-

A Grade	Municipal Corporations and Special Grade Municipalities.
B Grade	Selection Grade and First Grade Municipalities.
C Grade	Second Grade, Third Grade Municipalities and Town Panchayats.

3.Minimum and maximum rate of property tax leviable on vacant land.- The council of the Town Panchayat or of Third Grade Municipality, or of Municipality or of Municipal Corporation shall fix the rate of property tax leviable on vacant land which are not used exclusively for agricultural purposes and are not occupied by, or adjacent and appurtenant to buildings, subject to the minimum and maximum rates per square foot, as specified in the Table below:-

THE TABLE.

Vacant Land with reference to its location	A Grade		B Grade		C Grade	
	Mini mum (in Paise)	Maxi mum (in Paise)	Mini mum (in Paise)	Maxi mum (in Paise)	Mini mum (in Paise)	Maxi mum (in Paise)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
(a) Streets in residential area.	20	40	15	30	10	20
(b) Main roads and bus route roads other than those which lead to arterial road	30	50	20	40	15	30
(c) Arterial roads, main roads and bus route roads which lead to arterial road	40	60	30	50	20	40

**NIRANJAN MARDI
SECRETARY TO GOVERNMENT**

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Section Officer.