



## ఆంధ్రప్రదేశ్ రాజపత్రము

# THE ANDHRA PRADESH GAZETTE

## PART IV-A EXTRAORDINARY

### PUBLISHED BY AUTHORITY

No. 2] AMARAVATI, FRIDAY, 13<sup>th</sup> FEBRUARY, 2026.

### ANDHRA PRADESH BILLS ANDHRA PRADESH LEGISLATIVE ASSEMBLY

The following Bill was introduced in the Andhra Pradesh Legislative Assembly on 13<sup>th</sup> February, 2026.

#### L. A. Bill No. 2 of 2026

#### A BILL TO FURTHER AMEND THE MUNICIPAL CORPORATIONS ACT, 1955 AND THE ANDHRA PRADESH MUNICIPALITIES ACT, 1965

Be it enacted by the Legislature of the State of Andhra Pradesh in the Seventy-Seventh Year of the Republic of India as follows:-

1. This Act may be called the Andhra Pradesh Municipal Laws (Second Amendment) Act, 2026. Short title
2. In the Municipal Corporations Act, 1955, in section 199, after sub-section (3), the following shall be added, namely,- Amendment of section 199.

Act No.II of 1956.

“Provided that a waiver of fifty per cent of the Vacant Land Tax shall be given during the construction period i.e., from the date of granting permission for the construction of a building until the date of issue of the Occupancy Certificate, or the date of completion of the building, or the expiry of the validity of such permission or its extended validity, whichever is earlier.

Nothing in this proviso shall apply to any unauthorised construction undertaken without obtaining the requisite permission from the Corporations, Urban Development Authorities, or any other Competent Authority.”.

Amendment of  
Section 87.  
Act No.6 of 1965.

- 3.** In the Andhra Pradesh Municipalities Act, 1965, in section 87, after sub-section (4), the following shall be added, namely,-

“Provided that a waiver of fifty per cent of the Vacant Land Tax shall be given during the construction period i.e., from the date of granting permission for the construction of a building until the date of issue of the Occupancy Certificate, or the date of completion of the building, or the expiry of the validity of such permission or its extended validity, whichever is earlier.

Nothing in this proviso shall apply to any unauthorised construction undertaken without obtaining the requisite permission from the Municipalities, Urban Development Authorities, or any other Competent Authority.”.

## **STATEMENT OF OBJECTS AND REASONS**

In the State Vacant Land Tax (VLT) is levied under the provisions of the A.P. Municipalities Act, 1965 and the A.P. Municipal Corporations Act, 1955 on lands that are not used exclusively for agricultural purposes and are not occupied by, or appurtenant to, a building.

The representations received from various stakeholders, including CREDAI and NAREDCO have highlighted that the levy of full VLT during the construction period imposes an additional financial burden on builders and developers, thereby discouraging timely development of urban land and adversely affecting the real estate and construction sector.

Government, after examining the issue, had issued G.O.Ms.No.90,MA & UD Department, dated 24.02.2019 permitting levy and collection of only 50% of Vacant Land Tax during the construction period, i.e., from the date of grant of building permission until the issue of Occupancy Certificate or completion of building, or expiry of validity of permission including extended validity, whichever is earlier. The G.O. also provided that such benefit would not apply to unauthorised constructions. However, implementation of the said G.O. was kept in abeyance due to the requirement of suitable statutory backing.

To operationalise, the intended policy and to provide statutory backing for the 50% waiver of Vacant Land Tax during the construction period, amendments to the Municipal Corporations Act, 1955 and the Andhra Pradesh Municipalities Act, 1965, are required.

The proposed amendments seek to provide statutory clarity, promote ease of doing business, encourage planned construction activity, reduce the financial burden during the construction phase, and ensure uniform and transparent administration of Vacant Land Tax across all Urban Local Bodies (ULBs) in the State.

Therefore, Government have decided to amend Municipal Corporations Act, 1955 and the Andhra Pradesh Municipalities Act, 1965 suitably.

This bill seeks to give effect to the above decision.

**PONGURU NARAYANA**  
**MINISTER FOR MUNICIPAL ADMINISTRATION**  
**& URBAN DEVELOPMENT**

**MEMORANDUM UNDER RULE 95 OF THE RULES OF  
PROCEDURE AND CONDUCT OF BUSINESS IN THE ANDHRA  
PRADESH LEGISLATIVE ASSEMBLY,**

The Andhra Pradesh Municipal Laws (Second Amendment) Bill, 2026, after it is passed by the Legislature of the State may be submitted to the Governor for his assent under Article 200 of the Constitution of India.

**PONGURU NARAYANA**  
**MINISTER FOR MUNICIPAL ADMINISTRATION**  
**& URBAN DEVELOPMENT**

**PRASANNA KUMAR SURYADEVARA**  
Secretary-General to Legislature.