

The following Ordinance which was promulgated by the Governor on the 25th January 2012 is hereby published for general information:-

**TAMIL NADU ORDINANCE No. 3 OF 2012.**

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

WHEREAS, the Legislative Assembly of the State is not in session and the Governor of Tamil Nadu is satisfied that circumstances exist which render it necessary for him to take immediate action for the purposes hereinafter appearing;

NOW, THEREFORE, in exercise of the powers conferred by clause (1) of Article 213 of the Constitution, the Governor hereby promulgates the following Ordinance:—

**PART-I.**

**PRELIMINARY.**

Short title and  
commence-  
ment.

1. (1) This Ordinance may be called the Tamil Nadu Municipal Laws (Amendment) Ordinance, 2012.

(2) It shall come into force on such date as the State Government may, by notification, appoint.

**PART-II.**

**AMENDMENT TO THE CHENNAI CITY MUNICIPAL CORPORATION ACT, 1919.**

Insertion of  
new section  
414-A.

2. After section 414, of the Chennai City Municipal Corporation Act, 1919, the following section shall be inserted, namely:—

Tamil Nadu  
Act  
IV of 1919.

**“ 414-A. Transitional provision on the extension of the area of the city.—** (1) When the area of the city is extended, all property, all rights of whatever kind, used, enjoyed or possessed by, and all interests of whatever kind owned by, or vested in, or held in trust by or for the municipal council, panchayat union council or village panchayat concerned, of the extended area as well as all liabilities legally subsisting against such municipal council, panchayat union council or village panchayat, as the case may be, on and from the date of the Notification, by which such extension of the city is declared, shall, subject to such directions as the Government may, by general or special order, give in this behalf, vest with the corporation.

(2) All arrears of taxes or other payments by way of composition for a tax, or due for expenses or compensation or otherwise, except such arrears or payments in respect of water supply and sewerage services, due to such municipal council, panchayat union council or village panchayat, as the case may be, on the date of such Notification, shall be recovered as if they had accrued to the corporation and shall be recovered as if such arrears or payments had become due under the provisions of this Act.

(3) All taxes, fees and duties, except in respect of water supply and sewerage services, which immediately before the date of such Notification, were being levied by such municipal council, panchayat union council or village panchayat, as the case may be, shall be deemed to have been levied by the corporation under the provisions of this Act and shall continue to be in force accordingly until such taxes, fees and duties are revised, cancelled or superseded by, anything done or any action taken under this Act.

(4) All proceedings except in respect of water supply and sewerage services, taken by, or against such municipal council, panchayat union council or village panchayat or authority or any person under the Tamil Nadu District Municipalities Act, 1920 (Tamil Nadu Act V of 1920) or the Tamil Nadu Panchyats Act, 1994 (Tamil Nadu Act 21 of 1994), as the case may be, shall be continued by, or against, the corporation, authority or person as if such proceedings had been commenced under the provisions of this Act.

(5) Any action except in respect of water supply and sewerage services, taken under the Tamil Nadu Act V of 1920 or the Tamil Nadu Act 21 of 1994, as the case may be, by any authority before the date of such Notification, shall be deemed to have been taken by the authority competent to take such action under this Act as if this Act had then been in force.

(6) Notwithstanding anything contained in this Act, every officer or employee except in connection with water supply and sewerage services, who, immediately before the date of such Notification, was in the service of such municipality, town panchayat or village panchayat, as the case may be, shall, on and from the date of such Notification, be deemed to be an officer or employee of the corporation:

Provided that—

(a) the terms and conditions applicable to such officer or employee consequent on his absorption in the service of the corporation shall not be less favourable than those applicable to such officer or employee immediately before the date of such Notification, as regards pay and allowances, leave, pension, gratuity, provident fund and age of superannuation; and

(b) the service rendered by such officer or employee under such municipality, town panchayat or village panchayat, as the case may be, upto the date of such Notification, shall be deemed to be the service under the corporation and he shall be entitled to count that service for the purpose of increments, leave, pension, provident fund and gratuity:

Provided further that such officer or employee serving in such municipality, town panchayat or village panchayat, as the case may be, shall be given an option to be exercised within such time and in such manner as may be prescribed either to be absorbed in the service of the corporation or to be transferred to the service referred to in section 73-A of the Tamil Nadu Act V of 1920 or to the service referred to in sections 104 and 105 of the Tamil Nadu Act 21 of 1994, as the case may be, or to be retrenched from the service of such municipality, town panchayat or village panchayat, as the case may be, and on such retrenchment, he shall be eligible for such benefits as may be prescribed."

### PART-III.

#### AMENDMENTS TO THE MADURAI CITY MUNICIPAL CORPORATION ACT, 1971.

Tamil Nadu  
Act  
15 of 1971.

**3.** In section 3 of the Madurai City Municipal Corporation Act, 1971 (hereinafter in this Part referred to as the 1971 Act), sub-section (8) shall be omitted.

Amendment of  
section 3.

**4.** After section 510-A of the 1971 Act, the following section shall be inserted, namely:-

Insertion of  
new section  
510-AA.

*"510-AA. Transitional provision on the extension of the area of the city.—*(1) When the area of the city is extended by including any local area, all property, all rights of whatever kind, used, enjoyed or possessed by, and all interests of whatever kind owned by, or vested in, or held in trust by or for the municipal council, panchayat union council or village panchayat concerned, of the such local area as well as all liabilities legally subsisting against such municipal council, panchayat union council or village panchayat, as the case may be, on and from the date of the Notification, by which inclusion of such local area in the city is made, shall, subject to such directions as the Government may, by general or special order, give in this behalf, vest with the corporation.

(2) All arrears of taxes or other payments by way of composition for a tax, or due for expenses or compensation or otherwise, due to such municipal council, panchayat union council or village panchayat, as the case may be, on the date of such Notification, shall be recovered as if they had accrued to the corporation and shall be recovered as if such arrears or payments had become due under the provisions of this Act.

(3) All taxes, fees and duties, which immediately before the date of such Notification, were being levied by such municipal council, panchayat union council or village panchayat, as the case may be, shall be deemed to have been levied by the corporation under the provisions of this Act and shall continue to be in force accordingly until such taxes, fees and duties are revised, cancelled or superseded by anything done or any action taken under this Act.

(4) All proceedings taken by, or against such municipal council, panchayat union council or village panchayat or authority or any person under the Tamil Nadu District Municipalities Act, 1920 (Tamil Nadu Act V of 1920) or the Tamil Nadu Panchayats Act, 1994 (Tamil Nadu Act 21 of 1994), as the case may be, shall be continued by, or against, the corporation, authority or person as if such proceedings had been commenced under the provisions of this Act.

(5) Any action taken under the Tamil Nadu Act V of 1920 or the Tamil Nadu Act 21 of 1994, as the case may be, by any authority before the date of such Notification, shall be deemed to have been taken by the authority competent to take such action under this Act as if this Act had then been in force.

(6) Notwithstanding anything contained in this Act, every officer or employee, who, immediately before the date of such Notification, was in the service of such municipality, town panchayat or village panchayat, as the case may be, shall, on and from the date of such Notification, be deemed to be an officer or employee of the corporation:

Provided that—

(a) the terms and conditions applicable to such officer or employee consequent on his absorption in the service of the corporation shall not be less favourable than those applicable to such officer or employee immediately before the date of such Notification, as regards pay and allowances, leave, pension, gratuity, provident fund and age of superannuation; and

(b) the service rendered by such officer or employee under such municipality, town panchayat or village panchayat, as the case may be, upto the date of such Notification, shall be deemed to be the service under the corporation and he shall be entitled to count that service for the purpose of increments, leave, pension, provident fund and gratuity:

Provided further that such officer or employee serving in such municipality, town panchayat or village panchayat, as the case may be, shall be given an option to be exercised within such time and in such manner as may be prescribed either to be absorbed in the service of the corporation or to be transferred to the service referred to in section 73-A of the Tamil Nadu Act V of 1920 or to the service referred to in sections 104 and 105 of the Tamil Nadu Act 21 of 1994, as the case may be, or to be retrenched from the service of such municipality, town panchayat or village panchayat, as the case may be, and on such retrenchment, he shall be eligible for such benefits as may be prescribed."

#### PART -IV.

#### AMENDMENTS TO THE COIMBATORE CITY MUNICIPAL CORPORATION ACT, 1981.

Tamil Nadu  
Act  
25 of 1981.

5. In section 3 of the Coimbatore City Municipal Corporation Act, 1981 (hereinafter in this Part referred to as the 1981 Act), sub-section (8) shall be omitted.

Amendment of  
section 3.

6. After section 511-A of the 1981 Act, the following section shall be inserted, namely:-

Insertion of  
new section  
511-AA.

*"511-AA. Transitional provision on the extension of the area of the city.—*

(1) When the area of the city is extended, by including any local area, all property, all rights of whatever kind, used, enjoyed or possessed by, and all interests of whatever kind owned by, or vested in, or held in trust by or for the municipal council, panchayat union council or village panchayat concerned, of the such local area as well as all liabilities legally subsisting against such municipal council, panchayat union council or village panchayat, as the case may be, on and from the date of the Notification, by which inclusion of such local area in the city is made, shall, subject to such directions as the Government may, by general or special order, give in this behalf, vest with the corporation.

(2) All arrears of taxes or other payments by way of composition for a tax, or due for expenses or compensation or otherwise, due to such municipal council, panchayat union council or village panchayat, as the case may be, on the date of such Notification, shall be recovered as if they had accrued to the corporation and shall be recovered as if such arrears or payments had become due under the provisions of this Act.

(3) All taxes, fees and duties, which immediately before the date of such Notification, were being levied by such municipal council, panchayat union council or village panchayat, as the case may be, shall be deemed to have been levied by the corporation under the provisions of this Act and shall continue to be in force accordingly until such taxes, fees and duties are revised, cancelled or superseded by anything done or any action taken under this Act.

(4) All proceedings taken by, or against such municipal council, panchayat union council or village panchayat or authority or any person under the Tamil Nadu District Municipalities Act, 1920 (Tamil Nadu Act V of 1920) or the Tamil Nadu Panchayats Act, 1994 (Tamil Nadu Act 21 of 1994), as the case may be, shall be continued by, or against, the corporation, authority or person as if such proceedings had been commenced under the provisions of this Act.

(5) Any action taken under the Tamil Nadu Act V of 1920 or the Tamil Nadu Act 21 of 1994, as the case may be, by any authority before the date of such Notification, shall be deemed to have been taken by the authority competent to take such action under this Act as if this Act had then been in force.

(6) Notwithstanding anything contained in this Act, every officer or employee, who, immediately before the date of such Notification, was in the service of such municipality, town panchayat or village panchayat, as the case may be, shall, on and from the date of such Notification, be deemed to be an officer or employee of the corporation:

Provided that—

(a) the terms and conditions applicable to such officer or employee, consequent on his absorption in the service of the corporation shall not be less favourable than those applicable to such officer or employee immediately before the date of such Notification, as regards pay and allowances, leave, pension, gratuity, provident fund and age of superannuation; and

(b) the service rendered by such officer or employee under such municipality, town panchayat or village panchayat, as the case may be, upto the date of such Notification, shall be deemed to be the service under the corporation and he shall be entitled to count that service for the purpose of increments, leave, pension, provident fund and gratuity:

Provided further that such officer or employee serving in such municipality, town panchayat or village panchayat, as the case may be, shall be given an option to be exercised within such time and in such manner as may be prescribed either to be absorbed in the service of the corporation or to be transferred to the service referred to in section 73-A of the Tamil Nadu Act V of 1920 or to the service referred to in sections 104 and 105 of the Tamil Nadu Act 21 of 1994, as the case may be, or to be retrenched from the service of such municipality, town panchayat or village panchayat, as the case may be, and on such retrenchment, he shall be eligible for such benefits as may be prescribed.”.

#### PART -V.

#### AMENDMENTS TO THE TAMIL NADU DISTRICT MUNICIPALITIES ACT, 1920.

Amendment of section 4.

7. In section 4 of the Tamil Nadu District Municipalities Act, 1920 (hereinafter in this Part referred to as the 1920 Act), sub-section (5) shall be omitted.

Insertion of new section 375-A.

8. After section 375 of the 1920 Act, the following section shall be inserted, namely:—

*“375-A. Transitional provision on the extension of the area of the Municipality.-*

(1) When the area of the municipality is extended, by including any local area, all property, all rights of whatever kind, used, enjoyed or possessed by, and all interests of whatever kind owned by, or vested in, or held in trust by or for the town panchayat, panchayat union council or village panchayat concerned, of such local area as well as all liabilities legally subsisting against such town panchayat, panchayat union council or village panchayat, as the case may be, on and from the date of the Notification, by which inclusion of such local area in the municipality is made, shall, subject to such directions as the Government may, by general or special order, give in this behalf, vest with the municipality.

Tamil Nadu Act V of 1920.

(2) All arrears of taxes or other payments by way of composition for a tax, or due for expenses or compensation or otherwise, due to such town panchayat, panchayat union council or village panchayat, as the case may be, on the date of such Notification, shall be recovered as if they had accrued to the municipality and shall be recovered as if such arrears or payments had become due under the provisions of this Act.

(3) All taxes, fees and duties, which immediately before the date of such Notification, were being levied by such town panchayat, panchayat union council or village panchayat, as the case may be, shall be deemed to have been levied by the municipality under the provisions of this Act and shall continue to be in force accordingly until such taxes, fees and duties are revised, cancelled or superseded by anything done or any action taken under this Act.

(4) All proceedings taken by, or against such town panchayat, panchayat union council or village panchayat or authority or any person under this Act or under the Tamil Nadu Panchayats Act, 1994 (Tamil Nadu Act 21 of 1994), as the case may be, shall be continued by, or against, the municipality, authority or person as if such proceedings had been commenced under the provisions of this Act.

(5) Any action taken under this Act or the Tamil Nadu Act 21 of 1994, as the case may be, by any authority before the date of such Notification, shall be deemed to have been taken by the authority competent to take such action under this Act as if this Act had then been in force.

(6) Notwithstanding anything contained in this Act, every officer or employee, who, immediately before the date of such Notification, was in the service of such town panchayat, panchayat union council or village panchayat, as the case may be, shall, on and from the date of such Notification, be deemed to be an officer or employee of the municipality:

Provided that—

(a) the terms and conditions applicable to such officer or employee consequent on his absorption in the service of the municipality shall not be less favourable than those applicable to such officer or employee immediately before the date of such Notification, as regards pay and allowances, leave, pension, gratuity, provident fund and age of superannuation; and

(b) the service rendered by such officer or employee under such town panchayat, panchayat union council or village panchayat, as the case may be, upto the date of such Notification, shall be deemed to be the service under the municipality and he shall be entitled to count that service for the purpose of increments, leave, pension, provident fund and gratuity:

Provided further that such officer or employee serving in such town panchayat, panchayat union council or village panchayat, as the case may be, shall be given an option to be exercised within such time and in such manner as may be prescribed either to be absorbed in the service of the municipality or to be transferred to the service referred to in section 73-A of this Act or to the service referred to in sections 104 and 105 of the Tamil Nadu Act 21 of 1994, as the case may be, or to be retrenched from the service of such town panchayat, panchayat union council or village panchayat, as the case may be, and on such retrenchment, he shall be eligible for such benefits as may be prescribed.”.

25th January 2012.

K. ROSAIAH,  
*Governor of Tamil Nadu.*

**EXPLANATORY STATEMENT.**

The process of transition, following the expansion of the territorial limits of Municipal Corporations and Municipalities, by the inclusion of adjacent local areas, is underway. To effectively deal with the matters relating to such transitions, like, vesting of the assets and liabilities of, continuance of taxes, fees, duties being levied by, absorption of employees of the local bodies of such local areas, it has been decided that necessary provision may be inserted 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).

2. The Ordinance seeks to give effect to the above decision.

(By order of the Governor)

G. JAYACHANDRAN,  
*Secretary to Government,*  
*Law Department.*