

BILLS INTRODUCED IN THE LEGISLATIVE ASSEMBLY OF THE STATE OF TAMIL NADU

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 6th May 2013 is published together with Statement of Objects and Reasons for general information:—

L.A. Bill No. 9 of 2013

A Bill to provide for the establishment of State Property Tax Board in the State of Tamil Nadu to design and formulate transparent procedure for assessing property tax and for matters connected therewith and incidental thereto.

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

1. (1) This Act may be called the Tamil Nadu State Property Tax Board Act, 2013.

Short title and commencement.

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

2. (1) In this Act, unless the context otherwise requires,-

Definitions.

(a) "Board" means the Tamil Nadu State Property Tax Board established under section 3;

(b) "fund" means the Tamil Nadu State Property Tax Board Fund referred to in section 8;

(c) "Government" means State Government;

(d) "municipality" means an institution of self-government constituted under Article 243-Q of the Constitution;

(e) "municipal laws" means,-

Tamil Nadu Act V of 1920.

(i) Tamil Nadu District Municipalities Act, 1920;

Tamil Nadu Act IV of 1919.

(ii) the Chennai City Municipal Corporation Act, 1919;

Tamil Nadu Act 15 of 1971.

(iii) the Madurai City Municipal Corporation Act, 1971;

Tamil Nadu Act 25 of 1981.

(iv) the Coimbatore City Municipal Corporation Act, 1981;

Tamil Nadu Act 27 of 1994.

(v) the Tiruchirapalli City Municipal Corporation Act, 1994;

Tamil Nadu Act 28 of 1994.

(vi) the Tirunelveli City Municipal Corporation Act, 1994;

Tamil Nadu Act 29 of 1994.

(vii) the Salem City Municipal Corporation Act, 1994;

Tamil Nadu Act 7 of 2008.

(viii) the Tiruppur City Municipal Corporation Act, 2008;

Tamil Nadu Act 8 of 2008.

(ix) the Erode City Municipal Corporation Act, 2008;

Tamil Nadu Act 26 of 2008.

(x) the Vellore City Municipal Corporation Act, 2008;

Tamil Nadu Act 27 of 2008.

(xi) the Thoothukudi City Municipal Corporation Act, 2008; and

(xii) such other municipal laws as may be enacted by the Legislative Assembly of the State of Tamil Nadu;

(f) "property tax" means the tax determined and leviable on lands and buildings under the municipal laws;

(g) "regulations" means regulations made under this Act.

(2) Words and expressions used but not defined in this Act shall have the meanings respectively assigned to them in the municipal laws.

3. The Government may, by notification, establish a Board to be called the Tamil Nadu State Property Tax Board.

Establishment of Board.

4. The Board shall consist of a chairperson and other members, as follows, namely:-

Composition of Board.

(1) An officer not below the rank of the Secretary to Government, as the Chairperson of the Board;

(2) Commissioner of Municipal Administration, as Member *ex-officio*;

(3) Commissioner, Corporation of Chennai, as Member *ex-officio*;

(4) Director of Town Panchayats, as Member *ex-officio*;

(5) Three members to be nominated by the Government from among persons having knowledge and experience in the field of valuation of properties, taxation and other related fields.

5. (1) The Board may hold ordinary meetings at such intervals as may be prescribed by regulations and a special meeting may be convened by Chairperson at any other time for the transaction of urgent business.

Meetings of Board.

(2) The number of members necessary to constitute a quorum at a meeting and procedure to be followed thereat shall be such as may be prescribed by regulations.

6. The Board shall perform all or any of the following functions, namely:-

Functions of Board.

(1) review the property tax assessment system, suggest suitable basis for valuation of properties, bring out a manual and constantly update the manual on valuation of properties;

(2) recommend modalities for periodic revision of property tax;

(3) make recommendations on the valuation of properties located in urban areas of the State of Tamil Nadu and the principles to govern the modifications of such valuation;

(4) publish the annual work plan in the *Tamil Nadu Government Gazette*;

(5) undertake directly or through any institution, training of officers and employees of municipalities, as the Government may direct or as the Board may consider necessary, for carrying out the purposes of this Act.

7. (1) The Board may appoint an officer not below the rank of District Revenue Officer as Secretary of the Board, and such other employees as it considers necessary for the efficient performance of its functions:

Appointment of Secretary and other employees.

Provided that the Board shall not, without previous approval of the Government, create any post.

(2) The terms and conditions of service including salaries and allowances of the staff appointed under sub-section (1) shall be such as may be prescribed by regulations.

(3) Without prejudice to the provisions of sub-section (1), it shall be lawful for the Board to utilise such employees of the Government or any local authority or other institution on such terms and conditions as may be agreed upon between the Board and the Government or local authority or institution, as the case may be.

8. (1) The Board shall have a fund to be called the Tamil Nadu State Property Tax Board Fund which shall be classified into administrative fund and general fund.

Fund of the Board.

(2) (a) All moneys paid by the Government from the Consolidated Fund of the State shall be credited to the administrative fund.

(b) All moneys paid by the municipalities shall be credited to the general fund.

(3) All moneys received by the Board shall be deposited in State Bank of India or in any other nationalised banks as may be prescribed by regulations.

Municipality to make payment to Board.

9. (1) Every municipality shall pay to the Board, within such time as may be prescribed by rules, such amount as may be determined by the Board, with the approval of the Government, taking into consideration the expenditure incurred by the Board on account of its activities.

(2) If the amount is not paid by any municipality within the prescribed time, the same may be deducted from any grant payable by the Government to that municipality.

Expenditure.

10. (1) The expenditure incurred by the Board for meeting the salaries and allowances, including contingencies of the Chairperson, Members, Secretary, and other employees serving under or for the Board shall be defrayed out of the administrative fund.

(2) The expenditure incurred by the Board for undertaking development activities, research and analysis shall be defrayed out of the general fund.

Annual Report.

11. The Board shall prepare an annual report of its activities during the year in such form as may be prescribed by regulations and the same shall be published in the *Tamil Nadu Government Gazette*.

Budget.

12. (1) The Board shall prepare each year in such form and within such time, as may be prescribed by regulations, a budget in respect of the ensuing financial year, showing the estimated receipts and expenditure and shall forward a copy of the same to Government for approval.

(2) The Government may, while according such approval, make such additions, alterations and modifications on the budget, as they may think fit:

Provided that before making such additions, alterations or modifications, the Government shall give the Board an opportunity to express its views thereon within such period as may be prescribed by rules.

Financial Power.

13. (1) The Board shall have the same financial powers as are exercisable by a head of the department of the Government. Matters beyond such financial powers shall be referred by the Board to the State Government for their decision.

(2) The Board shall keep accounts of all receipts and expenditure, and prepare annual accounts in such manner as may be prescribed by regulations.

Audit.

14. (1) The Board shall cause its accounts to be audited annually by an auditor to be appointed by the Government and the auditor so appointed shall have the right to demand the production of books, accounts, documents and other papers of the Board.

(2) The annual accounts prepared as per the provisions of sub-section (2) of section 13 shall be placed to the auditor for auditing. As soon as the accounts have been audited, the Board shall send a copy thereof together with a copy of the report of the auditor to the Government.

(3) The Board shall comply with such directions as the Government may, after perusal of the report of the auditor, think fit to issue in this behalf.

Central Act
XLV of 1860.

(4) The Board shall pay out of the fund such sum as may be determined by the Government by way of fees, if any, for such audit.

15. No act or proceeding of the Board shall be invalid or otherwise called in question merely on the ground of the existence of any vacancy in, or defect in, the constitution or reconstitution of the Board.

Defects not to invalidate acts.

16. (1) The Board may delegate any of its powers and functions including financial powers to the Chairperson of the Board by a resolution adopted by it in this behalf, except the powers under sub-section (1) of section 7 and section 21.

Delegation of powers and functions of Board.

(2) The Board may also delegate any of its powers or functions to the Secretary or to any other officer of the municipality or the Government or any other authority or statutory board or agency by a resolution adopted by it in this behalf, except the powers under sub-section (1) of section 7 and section 21.

17. Every member of the Board, Secretary, officer and employee of the Board shall, when acting or purporting to act in pursuance of the provisions of this Act, be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code, 1860.

Members, Secretary and employees to be public servants.

18. (1) The Government may, in the public interest, by order, direct the Board to make an enquiry in any case specified in the order, and the Board shall report to the government the result of the enquiry made by it within such period as may be prescribed by rules.

Power to give direction.

(2) On receipt of the report from the Board under sub-section (1), the Government shall give such direction as they deem fit and such direction shall be final and binding.

19. If any difficulty arises in giving effect to the provisions of this Act, the Government may, by notification, make such provision not inconsistent with the provisions of this Act as may appear to them to be necessary or expedient for the purpose of removing the difficulty:

Power to remove difficulties.

Provided that no such notification shall be issued after the expiry of two years from the date of commencement of this Act.

20. (1) The Government may, by notification, make rules for carrying out the purposes of this Act.

Power to make rules.

(2) In particular, and without prejudice to the generality of the foregoing powers, the Government may make rules relating to the matters which may be or is required to be prescribed by rules.

(3) (a) All rules made under this Act shall be published in the *Tamil Nadu Government Gazette* and unless they are expressed to come into force on a particular day shall come into force on the day on which they are so published.

(b) All notifications issued under this Act, shall, unless they are expressed to come into force on a particular day, come into force on the date on which they are so published.

(4) Every rule made or notification issued under this Act shall, as soon as possible after it is made or issued, be placed on the table of the Legislative Assembly and if, before the expiry of the session in which it is so placed or the next session, the Assembly makes any modification in any such rule or notification or the Assembly decides that the rule or notification should not be made or issued, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

Power to
make
regulations.

21. (1) The Board may make regulations, not inconsistent with this Act, for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of foregoing power, such regulations may provide for all or any of the following matters, namely:-

(a) the time and place of the meeting of the Board and the procedure to be followed at such meetings including the quorum necessary for the transaction of business;

(b) the terms and conditions of appointment including the salaries and allowances of the officers and employees of the Board other than the Secretary of the Board;

(c) manner of depositing of moneys received by the Board;

(d) the date by which, the form and the manner in which, the Board's annual report and budgets shall be prepared and the information to be contained in such annual reports and budgets;

(e) maintenance of receipts and expenditure and the form and the manner in which the Board's annual accounts shall be prepared; and

(f) generally the efficient conduct of the affairs of the Board.

(3) No regulation or its cancellation or modification shall have effect until the same have been approved or confirmed by the Government.

STATEMENT OF OBJECTS AND REASONS.

The Thirteenth Finance Commission, among other things, recommended for the setting up of a State Level Property Tax Board to assist the urban local bodies to put in place an independent and transparent procedure for assessing property tax. The Commission also recommended that the Board shall enumerate or cause to enumerate all properties within the jurisdiction of the municipalities and municipal corporations in the State, review the property tax system and make suggestions for a suitable basis for assessment and valuation of properties and on modalities for periodic revisions.

2. The constitution of a State Level Property Tax Board is one of the preconditions to access the performance grant recommended by the Finance Commission for the local bodies. Therefore, the Government have decided to undertake legislation for establishment of the Tamil Nadu State Property Tax Board to provide assistance and technical guidance to all urban local bodies in the State for proper assessment and revision of property tax.

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

K. P. MUNUSAMY,
*Minister for Municipal Administration, Rural
Development, Law, Courts and Prisons.*

MEMORANDUM REGARDING DELEGATED LEGISLATION.

Clauses 1 (2), 3, 6 (5), 12, 14 (3), 18, 19 and 20 of the Bill authorise the Government to issue notifications, orders or directions or to make rules, as the case may be, for the purposes specified therein and clause 21 of the Bill authorises the Tamil Nadu State Property Tax Board to make regulations to carryout the purposes of the proposed legislation.

2. The powers delegated are normal and not of an exceptional character.

K. P. MUNUSAMY,
*Minister for Municipal Administration, Rural
Development, Law, Courts and Prisons.*

FINANCIAL MEMORANDUM.

The Bill provides for establishment of the Tamil Nadu State Property Tax Board. The Bill when enacted would involve expenditure from the Consolidated Fund of the State. It is, however, not possible at this stage to estimate with any degree of accuracy, the expenditure to be incurred as a result of the proposed legislation.

K. P. MUNUSAMY,
*Minister for Municipal Administration, Rural
Development, Law, Courts and Prisons.*

A.M.P. JAMALUDEEN,
Secretary.