

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the Tamil Nadu on 28th April 2025 is published together with Statement of Objects and Resasons for general information:-

**L.A Bill No. 14 of 2025**

**A Bill further to amend the Tamil Nadu Urban Local Bodies Act, 1998.**

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

1. (1) This Act may be called the Tamil Nadu Urban Local Bodies (Second Amendment) Act, 2025. Short title and commencement.

(2) (a) Sections 2, 3, 5, 7, 10 and 18 shall be deemed to have come into force on the 13th day of April 2023.

(b) Sections 4,6 and sections 19 to 23 shall come into force at once.

(c) All remaining sections shall come into force on such date as the State Government may, by notification, appoint.

Tamil Nadu Act 9 of 1999.

2. In section 4 of the Tamil Nadu Urban Local Bodies Act, 1998 (hereinafter referred to as the principal Act), in sub-section (1-A), in clause (i), for the expression “the Municipal Corporation of Chennai”, the expression “the Municipal Corporation of Greater Chennai” shall be substituted. Amendment of section 4.

3. In section 70 of the principal Act,— Amendment of section 70.  
(1) to sub-section (1), the following proviso shall be added, namely:—

“Provided that if there is reasonable cause for not placing the budget estimate within the specified period, the Government may authorise the Commissioner to place the budget estimate before the council on or before the 20<sup>th</sup> day of February of that year.”;

(2) to sub-section (3), the following proviso shall be added, namely:—

“Provided that if there is reasonable cause for not approving the budget estimate within the specified period, the Government may authorise the council to approve the budget estimate on or before the end of March of that year.”.

4. In section 84 of the principal Act, in sub-section (2), for the expressions “a half-year” and “one per cent”, the expressions “a financial year” and “half per cent” shall, respectively, be substituted. Amendment of section 84.

5. In section 100 of the principal Act, in the first proviso to sub-section (3), for the expression “Chennai City Municipal Corporation”, the expression “Greater Chennai Municipal Corporation” shall be substituted. Amendment of section 100.

Amendment of section 102.	6. In section 102 of the principal Act, in sub-section (1), the expression "not exceeding three years" shall be omitted.
Insertion of new section 109-A.	7. After section 109 of the principal Act, the following section shall be inserted, namely:—  <b>"109-A. Registration and licensing of boating activities.—</b> No boating activity for entertainment shall be carried on in any water body vested with any municipality without registering the boats and obtaining licence in such manner as may be specified in the bye-laws."
Amendment of section 114-A.	8. In section 114-A of the principal Act, in clause (c), for the expressions "on conviction before a Judicial Magistrate to a fine" and "such offence", the expressions "for penalty" and "such act" shall, respectively, be substituted.
Amendment of section 117-Q.	9. In section 117-Q of the principal Act,—  (1) section 117-Q shall be re-numbered as sub-section (1) of that section and in the proviso to sub-section (1) as so re-numbered, for the expression "this section", the expression "this sub-section" shall be substituted;  (2) after sub-section (1) as so re-numbered, the following sub-section shall be added, namely:—  <b>"(2) Nothing contained in this Chapter or any rule or order made thereunder shall apply to any hoarding, digital banner or placard erected by the State Government, Central Government, municipality or statutory body or undertaking under the control of State or Central Government:</b>  Provided that the exemption under this sub-section shall be subject to such size and nature of the hoarding, digital banner or placard, as may be prescribed."
Insertion of new sections 126-A and 126-B.	10. After section 126 of the principal Act, the following sections shall be inserted, namely:—  <b>"126-A.Variation or revocation of list of parks, play-fields and open spaces.—</b> (1) The Government may, at any time, either suo-motu or at the instance of the municipality concerned or of any person interested, vary or revoke the list of parks, play-fields and open spaces published under section 126.  (2) Before making any such variation or revocation, the Government shall publish in the prescribed manner a draft of such variation or revocation together with a notice specifying a date on or after which such draft will be taken into consideration and shall consider any objection or suggestion which may be received in respect of such draft from the municipality or any person interested before the date so specified.  <b>126-B. Prohibition of the use of parks, play-fields and open spaces in certain cases.—</b> No park, play-field or open space specified in the list published under section 126 shall, except with the previous sanction of the Government, be used for any purpose other than the purpose or purposes for which it was used on the date of the coming into force of this Act."

11. In section 178 of the principal Act, in sub-section (3), for the expression "liable to be punished with the penalty ", the expression "liable for the penalty" shall be substituted.

Amendment of  
section 178.

12. In section 179-F of the principal Act, for the expressions "punishable for the first offence with fine" and "subsequent offence", the expressions "liable for the first contravention with penalty" and "subsequent contravention" shall, respectively, be substituted.

Amendment of  
section 179-F.

13. In section 179-G of the principal Act, in sub-section (2), for the expression "second offence", the expression "second contravention" shall be substituted.

Amendment of  
section 179-G.

14. In section 179-H of the principal Act,—

Amendment of  
section 179-H.

(1) in sub-section (1), for the expressions "an offence" and "such offence", the expressions "a contravention" and "such contravention" shall, respectively, be substituted;

(2) in sub-section (2), for the expressions "an offence" and "prosecution is instituted for such offence", the expressions "a contravention" and "adjudication is initiated for such contravention" shall, respectively, be substituted.

15. For section 180 of the principal Act, the following section shall be substituted, namely:—

Substitution of  
section 180.

**"180. Penalties.—** Save as otherwise provided in this Act, any person who contravenes any of the provisions of this Act or the rules, bye-laws or regulations made or any order or direction issued thereunder, shall be liable for penalty which may extend to twenty-five thousand rupees and in the case of continuing contravention with an additional penalty which may extend to one thousand rupees for every day during which such contravention continues after imposition of the penalty for the first contravention or compounding of the first contravention:

Insertion of new  
sections 180-B,  
180-C, 180-D  
and 180-E.

Provided that in the absence of special and adequate reason to the contrary to be recorded in writing, the penalty under this section shall not be less than five hundred rupees.

16. After section 180-A of the principal Act, the following sections shall be inserted, namely:—

**"180-B. Adjudication.—** (1) The Director may, for the purpose of determining the penalties under sections 114-A, 134, 178, 179-F and 180, appoint an officer to be the adjudicating officer to hold an inquiry for the contraventions therein and impose penalty, in such manner as may be prescribed:

Provided that the Director may appoint as many adjudicating officers as may be required.

(2) The adjudicating officer may summon and enforce the attendance of any person acquainted with the facts and circumstances of the case to give evidence or to produce any document, which in the opinion of the adjudicating officer, may be useful for, or relevant to, the subject matter of the inquiry and if, on such inquiry, he is satisfied that the person concerned has failed to comply with any of the provisions referred to in sections 114-A, 134, 178, 179-F and 180, he may impose such penalty as he deems fit:

Provided that no such penalty shall be imposed without giving the person concerned a reasonable opportunity of being heard.

**180-C. Appeal.—** (1) Any person who is aggrieved by an order passed by the adjudicating officer under section 180-B may prefer an appeal to the appellate authority as may be notified by the Government, within sixty days from the date of receipt of order, in such manner as may be prescribed:

Provided that an appeal may be admitted after the expiry of the period of sixty days if the appellate authority is satisfied that the appellant had sufficient cause for not preferring the appeal within that period.

(2) The appellate authority may, after giving the parties to the appeal an opportunity of being heard, pass such order as he may think fit.

(3) The appellate authority shall dispose of the appeal within sixty days from the date of filing of appeal.

**180-D. Compounding of contraventions.—** (1) Any contravention under sections 114-A, 134, 178, 179-F and 180 may, either before or after the initiation of adjudication proceeding but before the imposition of penalty, be compounded by such officer as may be authorised in this behalf by the Director, on payment of such amount as that officer so authorised, may specify:

Provided that such amount shall not, in any case, exceed the maximum penalty which may be imposed under this Act for that contravention so compounded.

(2) Where any contravention has been compounded under sub-section (1), no other proceeding shall be initiated or continued under this Act in respect of the contravention so compounded.

**180-E. Recovery.—** If the penalty imposed under section 180-B or under section 180-C, as the case may be, is not deposited in such manner as may be prescribed, the amount due shall be recovered as an arrear of tax under section 116-A.”.

Insertion of new  
section 188-A.

17. After section 188 of the principal Act, the following section shall be inserted, namely:—

**“188-A. Contravention by companies.—** (1) Where a contravention of any of the provisions of this Act or any rule, bye-law or regulation made or any order or direction issued thereunder has been committed by a company, the person who, at the time the contravention was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to have contravened and shall be liable for a penalty specified under this Act:

Provided that nothing contained in this sub-section shall render any such person liable to any penalty provided in this Act, if he proves that the contravention was committed without his knowledge or that he had exercised all due diligence to prevent such contravention.

(2) Notwithstanding anything contained in sub-section (1), where any contravention under this Act has been committed by a company and it is proved that the contravention has been committed with the consent or connivance of or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to have contravened and shall be liable for a penalty specified under this Act.

Explanation.— For the purpose of this section,—

(a) a company means any body corporate and includes a trust, a firm, a society or other association of individuals, and

(b) “director” in relation to—

(i) a firm means a partner in the firm;

(ii) a society, a trust or other association of individuals, means the person who is entrusted under the rules of the society, trust or other association, with the management of the affairs of the society, trust or other association, as the case may be.”.

18. In section 198 of the principal Act, in sub-section (3), for items A and B, the following items shall be substituted, namely:—

Amendment of  
section 198.

“A Group - Municipal Corporation of Greater Chennai;

B Group - Municipal Corporation other than Municipal Corporation of Greater Chennai and Special Grade Municipal Councils;”.

Insertion of new  
section 199-B.

19. After section 199-A of the principal Act, the following section shall be inserted, namely:—

**“199-B. Power to give directions.—** The Government may, from time to time, issue such directions to any municipality or any municipal authority under this Act, as they may deem fit, for giving effect to the provisions of this Act and it shall be the duty of such municipality or municipal authority to comply with such directions.”.

Construction of reference to Municipal Corporation of Chennai.	20. Reference to "Chennai City Municipal Corporation", "Municipal Corporation of Chennai" or "Chennai Municipal Corporation" in any Act or in any rule, notification, proceeding, order, regulation, bye-laws or other instruments made or issued under such Act or under the principal Act shall be construed as reference to "Municipal Corporation of Greater Chennai".
Legal proceedings.	21. Where immediately before the date of commencement of the principal Act, any legal proceedings are pending in which "Chennai City Municipal Corporation", "Municipal Corporation of Chennai" or "Chennai Municipal Corporation" is a party, "Municipal Corporation of Greater Chennai" shall be deemed to be substituted as a party in those proceedings.
Validation of Government Order.	22. Notwithstanding anything contained in any judgment, decree or order of any court or authority, the Government Order issued in G.O.(Ms)No.152, Municipal Administration and Water Supply Department, dated the 26th October 2015 shall not be deemed to be invalid, and shall not be deemed ever to have been invalid, merely on the ground that the said Government Order is not in accordance with the Chennai City Municipal Corporation Act, 1919 (Tamil Nadu Act IV of 1919) or the principal Act and all acts, proceedings or things done or actions taken under the above said Government Order till the date of publication of this Act in the <i>Tamil Nadu Government Gazette</i> shall, for all purposes, be deemed to be, and to have always been, validly done or taken in accordance with law.
Validation of certain proceedings.	23. Notwithstanding anything contained in the principal Act or any other law or order or notification for the time being in force or in any judgment, decree or order of any court or other authority, all acts done or proceedings taken by the council or any authority for not placing or approving the budget within the specified time or registration and licensing of boating activities or usage of parks, play-fields or open spaces other than the purpose for which they are earmarked, with the sanction of the Government, during the period commencing on the 13th day of April 2023 and ending with the date of publication of this Act in the <i>Tamil Nadu Government Gazette</i> , shall, for all purposes, be deemed to be, and to have always been, validly done or taken in accordance with law, as if the principal Act, as amended by this Act, had been in force at all material times when such acts or proceedings were done or taken.

**STATEMENT OF OBJECTS AND REASONS.**

The Government are taking various measures to facilitate ease of doing business. Based on the representations received, it has been proposed to simplify the procedures for issue of trade or business licence granted by the Urban Local Bodies under the Tamil Nadu Urban Local Bodies Act, 1998 (Tamil Nadu Act 9 of 1999). Further, the Government have also proposed to reduce the interest rate for the belated payment of property tax arrears. Also in furtherance of decriminalisation exercise, it is proposed to decriminalise certain other minor offences under the Act by providing adjudication and compounding mechanisms for the purpose. The Government have, therefore decided to amend the Tamil Nadu Act 9 of 1999 suitably for the aforesaid objects.

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

**K.N.NEHRU,**

*Minister for Municipal Administration.*

**MEMORANDUM REGARDING DELEGATED LEGISLATION.**

Clauses 1(2)(c), 7, 9, 10, 16 and 19 of the Bill authorise the Government to issue notification or to make rules or to issue orders and also authorise the council of municipal corporation, municipal council and town panchayat to make bye-laws, as the case may be, for the purposes specified therein.

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

**K.N.NEHRU,**

*Minister for Municipal Administration.*

Secretariat,  
Chennai,  
28th April 2025.

K. SRINIVASAN,  
*Principal Secretary.*