

L. A. BILL No. XXX OF 2023.

A BILL

*to enact and amend the Municipal Corporation of the City of Pune Taxation
Rules framed under the Maharashtra Municipal Corporations Act,
with retrospective effect.*

5

WHEREAS it is expedient to enact and amend the Municipal Corporation of
the City of Pune Taxation Rules framed under the Maharashtra Municipal
Corporations Act, with retrospective effect and to make certain validating
provisions thereof, for the purposes hereinafter appearing ; it is hereby enacted
in the Seventy-fourth Year of the Republic of India, as follows :—

LIX of
1949.

10

1. This Act may be called the Maharashtra Municipal Corporation of the City of Pune Taxation (Enactment and Amendment of Taxation Rules with retrospective effect and Validation) Act, 2023. Short title.

Enactment of rules with effect from 1st April 1970 to determine rateable value.

2. The following rules to enact and amend the Taxation Rules to provide for determination of rateable value of building or land in the area of Municipal Corporation of the City of Pune, during the period commencing on the 1st April 1970 and ending on the 31st March 2023, shall be made and shall be deemed to have been made by the Municipal Corporation of the City of Pune under section 454 of the Maharashtra Municipal Corporations Act, on the 1st April 1970, as follows, namely :—

5

LIX of 1949.

“1. Short title.- These rules may be called the Municipal Corporation of the City of Pune Taxation (Amendment) Rules, 1970.

2. In Schedule ‘D’ appended to the Maharashtra Municipal Corporations Act, in its application to the Municipal Corporation of the City of Pune, in Chapter VIII, in rule 7, for sub-rule (1), the following sub-rule shall be substituted and shall be deemed to have been substituted with effect from the 1st April 1970, namely :—

10 LIX of 1949.

“(1) In order to fix the rateable value of any building or land assessable to a property tax there shall be deducted from the amount of the annual rent for which such building or land might reasonably be expected to let from year to year, a sum equal to fifteen per cent. of the said annual rent, and the said deduction shall be in lieu of all allowances for repairs or on any other account whatever :

15 20

Provided that, in case of any building or portion of building occupied by the owner exclusively for his residential purpose, a sum equal to forty per cent. of the annual rent shall be deducted from the amount of annual rent :

Provided further that, if the owner has occupied more than one building or portion of building exclusively for his residential purpose, in such cases, any one building or portion of building shall be eligible for such deduction.”.

25

Enactment of rules with effect from 1st April 2023 to determine rateable value.

3. The following rules to enact and amend the Taxation Rules to provide for determination of rateable value of building or land in the area of Municipal Corporation of the City of Pune, shall be made and shall be deemed to have been made by the Municipal Corporation of the City of Pune under section 454 of the Maharashtra Municipal Corporations Act, on the 1st April 2023, as follows, namely :—

30

LIX of 1949.

“1. Short title.—These rules may be called the Municipal Corporation of the City of Pune Taxation (Amendment) Rules, 2023.

35

2. In Schedule ‘D’ appended to the Maharashtra Municipal Corporations Act, in its application to the Municipal Corporation of the City of Pune, in Chapter VIII, in rule 7, for sub-rule (1), the following sub-rule shall be substituted and shall be deemed to have been substituted with effect from the 1st April 2023, namely :—

40

LIX of 1949.

“(1) In order to fix the rateable value of any building or land assessable to a property tax, there shall be deducted from the amount of the annual rent for which such building or land might reasonably be expected to let from year to year, a sum equal to ten per cent. of the said annual rent, and the said deduction shall be in lieu of all allowances for repairs or on any other account whatever :

45

Provided that, in case of any building or portion of building occupied by the owner exclusively for his residential purpose, a sum equal to forty per cent. of the annual rent shall be deducted from the amount of annual rent :

5 Provided further that, if the owner has occupied more than one building or portion of building exclusively for his residential purpose, in such cases, any one building or portion of building shall be eligible for such deduction.”.

LIX of 1949. 10 4. Notwithstanding anything contained in the Maharashtra Municipal Corporations Act (hereinafter, in this section, referred to as “the principal Act”) or rules made thereunder or in any judgement, decree or order of any court, any amount of deduction given from annual rent, by the Municipal Corporation of the City of Pune or any of its officers or authorities, acting or purporting to act under the provisions of the said Act, including any action taken or things done in pursuance of fixation of the rateable value of any building or land, during the 15 period commencing from the 1st April 1970 and ending on the 31st March 2023, in accordance with the provisions of sub-rule (1) of rule 7 of Chapter VIII of Schedule ‘D’ of the said Act, shall be deemed to be and shall be deemed always to have been, duly and validly given in accordance with law as if the provisions of said rules, as amended by this Act, had been continuously in force with effect from the 1st April 20 1970 and accordingly,—

Validation of amount of deduction given from annual rent for determination of rateable value and saving.

(a) all actions taken, proceedings or things done by the said Corporation, or by any of its officers or authorities in connection with any assessment, levy, demand, collection or review of property tax or any deduction given from the amount of annual rent shall be deemed to be and shall be deemed 25 always to have been done or taken in accordance with the provisions of the said Act and rules made thereunder ;

(b) no suit, appeal or other proceedings shall lie or be maintainable or continued in any court or before any officer or authorities against the Corporation or any of its officers or authorities for refund of any amount of 30 property tax so levied and collected ;

(c) no court or any other authority shall enforce any decree or order directing the refund of any amount of property tax so levied and collected ;

(d) any amount of property tax levied and collected in excess on account of any annual rent, shall not be refunded and it shall be adjusted against the 35 amount of property tax due under the said Act.

(2) For the removal of doubts, it is hereby declared that nothing in sub-section (1) shall be construed as preventing a person,—

(a) from questioning in accordance with the provisions of the principal Act and the rules made thereunder, as amended by this Act, any 40 assessment, levy, demand, collection or review of property tax or any deduction referred to in sub-section (1) ; or

(b) from claiming refund of any property tax paid by him in excess of the amount due from him by way of property tax under the principal Act.

Power to
remove
difficulties.

5. (1) If any difficulty arises in giving effect to the provisions of this Act, the State Government may, as occasion arises, by an order published in the *Official Gazette*, do anything, not inconsistent with the provisions of this Act, which appears to it to be necessary or expedient for the purpose of removing the difficulty :

5

Provided that, no such order shall be made after expiry of the period of two years from the date of commencement of this Act.

(2) Every order made under sub-section (1) shall be laid, as soon as may be, after it is made, before each House of the State Legislature.

STATEMENT OF OBJECTS AND REASONS

The Municipal Corporations in the State of Maharashtra other than the Mumbai Municipal Corporation are levying property taxes on lands and buildings on the basis of rateable value of the lands and buildings. Rule 7 of Chapter VIII of Schedule 'D' appended to the Maharashtra Municipal Corporations Act (LIX of 1949), provides for the determination of rateable value. Section 454 of the said Act empowers the Corporation to add, to amend, to alter or to annul, any rule in the said Schedule 'D'.

Sub-section (1) of section 455 of the said Act provides that, the Corporation shall make rules under section 454 of the said Act subject to the sanction of the State Government and subject to the condition of previous publication. Sub-section (2) of said section 455 provides that, rules made under said section 454, shall be finally published in the *Official Gazette* and thereupon, shall have effect as if enacted in the said Act.

As per sub-rule (1) of rule 7 of Taxation Rules, while fixing the rateable value of any building or land assessable to property-tax, the amount of a sum equal to ten per cent. of the annual rent in lieu of all allowances for repairs or on any other account whatever shall be deducted from the amount of the annual rent.

2. The State Government has given sanction to the draft notification forwarded by the Municipal Corporation of the City of Pune *vide* its letter dated the 3rd December 1969 as required by sub-section (1) of section 455 of the said Act to amend sub-rule (1) of rule 7 of the Taxation Rules, so as to provide for deduction of amount of a sum equal to fifteen per cent. of the annual rent of land or building ; and forty per cent. of annual rent for building or portion of building occupied by the owner exclusively for his residential purpose. However, the said notification was not finally published by the said Corporation in the *Official Gazette* as required by sub-section (2) of said section 455. The Municipal Corporation of the City of Pune, on the basis of the said draft notification had given fifteen per cent. and forty per cent. deduction in the annual rent of such lands and buildings with effect from the 1st April 1970. Therefore, the said excess five per cent. and forty per cent. deduction is not as per the provisions of the said rules.

3. It is, therefore, necessary to enact and amend the said rules with retrospective effect *i.e.* with effect from the 1st April 1970 and to validate actions taken by the Municipal Corporation of the city of Pune in this behalf, so that, the said amount of deduction shall not be recovered from the owners of building or land in the area of the said Municipal Corporation.

4. It is, therefore, considered expedient to undertake a suitable legislation,—

(a) to enact and amend sub-rule (1) of rule 7 of Chapter VIII of Schedule 'D' appended to the said Act with retrospective effect *i.e.*,—

(i) with effect from the 1st April 1970 to 31st March 2023, to give deduction of fifteen per cent. of annual rent, for all buildings and lands ;

(ii) with effect from the 1st April 1970 to give deduction of forty per cent. of annual rent for building or portion of building occupied by the owner exclusively for his residential purpose ;

(iii) with effect from the 1st April 2023 to give deduction of ten per cent. of annual rent, for all buildings and lands ; and

(b) to validate all actions taken by the Municipal Corporation of the City of Pune with respect to assessment, levy, collection, etc., of property tax.

5. The Bill seeks to achieve the above objectives.

Mumbai,
Dated the 21st July, 2023.

EKNATH SHINDE,
Chief Minister.

MEMORANDUM REGARDING DELEGATED LEGISLATION

The Bill involves the following proposal for delegation of legislative power, namely :—

Clause 5.- Under this clause, power is taken to the State Government to remove, by an order published in the *Official Gazette*, within a period of two years from the date of publication of the Act, any difficulty, which may arise in giving effect to the provisions of the Act.

2. The above-mentioned proposal for delegation of legislative power is of a normal character.

[L. A. BILL No. XXX OF 2023.]

**[A Bill to enact and amend the Municipal
Corporation of the City of Pune Taxation
Rules framed under the Maharashtra
Municipal Corporations Act, with
retrospective effect.]**

**[SHRI EKNATH SHINDE,
Chief Minister.]**

**JITENDRA BHOLE,
Secretary (1) (I/C),
Maharashtra Legislative Assembly.**