

**Criteria of Municipalization  
Pre-and-Post-74th Constitution Amendment  
Provisions of Some State Enactments**

**Pre-Amendment Provisions of Some State Enactments**

**Maharashtra**

1. No provisions existed in the *Bombay Municipal Corporation Act, 1888*, and *Bombay Provincial Municipal Corporations Act, 1949*, about the criteria for municipalization.

2. Under the *Maharashtra Municipalities Act, 1965*, a Municipal Council could be constituted on the basis of population only. Sub-section (1) of section 3, specified that the *minimum population* for constituting a Municipal Council was 15,000. Under section 4 of this Act, *municipal areas had been classified into three categories on the basis of population* :

Classification	Population Range
• 'A' class municipal area	.. more than 75,000
• 'B' class municipal area	.. more than 30,000 but not more than 75,000
• 'C' class municipal area	.. less than 30,000

**Andhra Pradesh**

3. The *Hyderabad Municipal Corporations Act, 1955*, did not specify any criterion for constitution of a Municipal Corporation for a local area.

4. Under section 3 of the *Andhra Pradesh Municipalities Act, 1965*, a local area with a population of not less than 25,000 could be declared a Municipality.

The Act provided for categorization of municipalities into five grades on the basis of annual income as follows :

Classification	Annual Income
• <i>Third Grade Municipality</i>	.. not more than rupees fifteen lakhs
• <i>Second Grade Municipality</i>	.. between rupees fifteen and thirty lakhs
• <i>First Grade Municipality</i>	.. between rupees thirty and fifty lakhs
• <i>Special Grade Municipality</i>	.. between rupees fifty and eighty lakhs
• <i>Selection Grade Municipality</i>	.. rupees eighty lakhs and above

## Karnataka

5. Under the *Karnataka Municipal Corporations Act, 1976*, and the *Karnataka Municipalities Act, 1965*, the population criteria were :

<u>Classification</u>	<u>Population Range</u>
• <i>Town Municipality</i> ..	more than 10,000 and less than 50,000
• <i>City Municipality</i> ..	50,000 or more
• <i>Municipal Corporation</i> ..	2 lakhs or more

6. In addition, under section 3 of the *Karnataka Municipal Corporations Act, 1976*, in the case of an area having one or more local authorities, the total annual income was not to be less than one crore of rupees for constituting a Corporation.

## The Post-74th Constitution Amendment Changes

### Maharashtra

7. *Maharashtra Act XLI of 1994* introduced the following population ranges, namely :

<u>Category</u>	<u>Population</u>
• <i>Larger Urban Area</i> ..	3 lakhs and above
• <i>'A' Class Smaller Urban Area</i> ..	more than 1 lakh
• <i>'B' Class Smaller Urban Area</i> ..	more than 40,000 but not more than 1 lakh
• <i>'C' Class Smaller Urban Area</i> ..	more than 25,000 but not more than 40,000
• <i>Transitional Area</i> ..	10,000 and above but not more than 25,000

### West Bengal

8. Section 7 of the *West Bengal Municipal Act, 1993* provides that the State Government may classify the municipal areas into the following groups on the basis of the population as ascertained at the last preceding census of which the relevant figures have been published :

<u>Classification</u>	<u>Population Range</u>
• <i>Group 'A'</i> ..	above 2,00,000
• <i>Group 'B'</i> ..	above 1,50,000 but not exceeding 2,00,000
• <i>Group 'C'</i> ..	above 75,000 but not exceeding 1,50,000
• <i>Group 'D'</i> ..	above 25,000 but not exceeding 75,000
• <i>Group 'E'</i> ..	not exceeding 25,000

## Tamil Nadu

9. Sub-section (1) of section 3 of the *Tamil Nadu Urban Local Bodies Act, 1998* provides that the Governor may, by notification, having regard to the population of the area, the density of the population therein, the percentage of employment in non-agricultural activities, the revenue generated for local administration, the economic importance or such other factors as he deems fit, constitute any local area on the following basis :

<u>Classification</u>	<u>Population Range</u>	<u>Annual Income</u>
• <i>Town Panchayat</i>	not less than twenty thousand	not less than thirty lakhs of rupees
• <i>Municipality</i>	not less than thirty thousand	not less than fifty lakhs of rupees
• <i>Municipal Corporation</i>	not less than five lakhs	not less than thirty crores of rupees

Sub-section (2) of section 3 provides that the Government may, by notification, classify municipalities into various grades for the purpose of effective administration of the said municipalities in accordance with such norms as may be prescribed.

## Punjab

10. The *Punjab Municipal Bill, 1999* has specified the following basis for classification :

<u>Classification</u>	<u>Population Range</u>	<u>Per Capita Revenue/Annum</u>
• <i>Larger Urban Area</i>	3.00 lakhs and above	to be specified by Government by notification, from time to time
• <i>Smaller Urban Areas</i>		
- <i>Class 'A'</i>	1.00 to 3.00 lakhs	”
- <i>Class 'B'</i>	0.50 to 1.00 lakh	”
- <i>Class 'C'</i>	0.15 to 0.50 lakh	”
• <i>Transitional Area</i>	0.05 to 0.15 lakh	”