

Area Linked System as Introduced in Madhya Pradesh

- The Madhya Pradesh Municipal Corporation Act, 1956 and the Madhya Pradesh Municipalities Act, 1961 were amended in 1997. The amended section 138 in the former provides as follows :

“138. Annual letting value of land or building. – (1) Notwithstanding anything contained in this Act or any other law for the time being in force, the annual letting value of any building or land, whether revenue paying or not, *shall be determined as per the resolution of the Corporation adopted in this behalf, on the basis of per square foot of the built up area of a building or per square foot of land, as the case may be, taking into consideration the area in which the building or land is situate, its location, situation, purpose for which it is used, its capacity for profitable use, quality of construction of the building and other relevant factors and subject to such rules, as may be made by the State Government in this behalf.*

(2) On the basis of the resolution adopted by the Corporation under sub-section (1), every owner of land or building shall assess the annual letting value of his land or building and deposit the amount of property tax along with a return in this behalf, in the prescribed form, on or before the date fixed by the Corporation, failing which a surcharge at the rate, as may be determined by the Corporation, shall be charged.

(3) The variation up to ten per cent on either side in the assessment made under sub-section (2) shall be ignored. In cases where the variation is more than ten per cent, the owner of land or building, as the case may be, shall be liable to pay penalty equal to five times the difference of self assessment made by him and the assessment made by the Corporation.

(4) An appeal shall lie to the Mayor-in-Council against the orders passed under sub-section (3).”

- The Madhya Pradesh Municipalities Act, 1961, as amended in 1997, in section 126 provides as follows :

“126. Annual letting value of land or building. – (1) Notwithstanding anything contained in this Act or any other law for the time being in force, the annual letting value of any building or land, whether revenue paying or not, *shall be determined as per the resolution of the Council adopted in this behalf, on the basis of per square foot of the built up area of a building or per square foot of land, as the case may be, taking into consideration the area in which the building or land is situate, its location, situation, purpose for which it is used, its capacity for profitable use, quality of construction of the building and other relevant factors and subject to the rules, as may be made by the State Government in this behalf.*

(2) On the basis of the resolution adopted by the Council under sub-section (1), every owner of land or building shall assess the annual letting value of his land or building and deposit the amount of property tax along with a return in this behalf, in the prescribed form, on or before the date fixed by the Council, failing which a surcharge at the rate, as may be determined by the Council, shall be charged.

(3) The variation up to ten per cent on either side in the assessment made under sub-section (2) shall be ignored. In cases where the variation is more than ten per cent, the owner of land or building, as the case may be, shall be liable to pay penalty equal to five times the difference of self assessment made by him and the assessment made by the Council.

(4) An appeal shall lie to the President-in-Council against the orders passed under sub-section (3).”

- The scheme as proposed under both the above mentioned Madhya Pradesh Acts empowers the Council to specify the annual letting value of any land or building on the basis of the criteria of location, use, quality of construction, capacity for profitable use and other relevant factors.