

**The Karnataka Municipal Corporations
(Amendment) Ordinance, 2000**

An ordinance further to amend the Karnataka Municipal Corporations Act, 1976.

Whereas the Karnataka Legislative Council is not in session and the Governor of Karnataka is satisfied that circumstances exist which render it necessary for her to take immediate action further to amend the Karnataka Municipal Corporations Act, 1976 (Karnataka Act 14 of 1977) for the purposes hereinafter appearing.

Now, therefore in exercise of the powers conferred by clause (1) of Article 213 of the Constitution of India, the Governor of Karnataka is pleased to promulgate the following Ordinance, namely :-

1. **Short title and commencement.** - (1) This Ordinance may be called the Karnataka Municipal Corporations (Amendment) Ordinance, 2000.

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

2. **Amendment of section 2.** - In section 2 of the Karnataka Municipal Corporations Act, 1976 (Karnataka Act 14 of 1977) (hereinafter referred to as the principal Act).

(i) clause (32) shall be omitted

(ii) after clause (41) the following shall be inserted namely :-

“(41A) Taxable capital value means the value of any buildings or lands or both fixed in accordance with the provisions of this Act and rules for the purpose of assessment of property tax”.

3. **Insertion of new section 103B.** - After section 103A of the principal Act, the following shall be inserted, namely :-

“103B. Levy of Infrastructure and solid waste management surcharge.- (1) Notwithstanding anything contained in section 19 of the Karnataka Motor Vehicles Taxation Act, 1957 (Karnataka Act 35 of 1957) the Corporation may levy and collect an infrastructure surcharge at such rate not exceeding five hundred rupees per annum as may be prescribed every motor vehicle suitable for the use on roads within the city and different rates may be prescribed in respect of different classes of motor vehicles.

Explanation : For the purpose of this section “motor vehicle” shall have the meaning assigned to it in the Motor Vehicles Act, 1988 (Central Act 59 of 1988).

(2) The Corporation may levy of solid waste management surcharge at such rate not exceeding one thousand rupees per month as may be, on every owner or occupier of buildings or lands or both in the city, prescribed for the purpose of collection, transportation and disposal of waste and different rates may be prescribed in respect of different classes of lands or buildings or in different areas.

(3) The surcharge levied under sub-section (1) and (2) shall be assessed and collected in such manner as may be prescribed.

(4) Any person aggrieved by the levy, assessment and collection of surcharge under this section may, within thirty days from the date of the order, appeal to the prescribed authority whose decision shall be final.

(5) The prescribed authority may, after giving a reasonable opportunity of being heard to the appellant and the Corporation, pass such order as it deems fit.

(6) Subject to such terms and conditions as may be provided in the bye-laws, the surcharge payable to the Corporation under this section may be collected by such agency as the corporation may appoint in this behalf”.

4. **Substitution of Section 108.-** For section 108 of the principal Act, the following shall be substituted, namely :-

“108. Description and class of property tax. – (1) Unless exempted under this Act or any other law, the property tax shall be levied every year on all buildings or lands or both situated within the city.

Explanation : For the purpose of this section and sections 106, 112, 112A, 113, 115, 116 and 143 “year” means year commencing on the from first day of April.

(2) The property tax shall be levied at such percentage, not being less that 0.3 per cent (three thousandth) and not more than one per cent (one hundredth) or taxable capital value of the buildings or lands or both.

(3) Subject to the minimum and maximum rates specified in sub-section (2), the corporation shall, fix the property tax at such percentage of the taxable capital value of the buildings or lands or both having regard to the location, type of construction of the building, nature of use to which the land and building is put, area of the land, plinth area of the building, age of the building and such other criterias :

Provided that the percentage so fixed may be different in different areas and for different classes of buildings and lands.”

Explanation : for the purpose of this section “building” includes any land appurtenant to such building used as garden and grounds for the more beneficial enjoyment of such building, not exceeding thrice the area occupied by such building.

5. **Substitution of section 109.-** For section 109 of the principal Act, the following shall be substituted, namely :-

“109. Method of Assessment of property tax. – (1) The taxable capital value of the building shall be assessed together with its land. The taxable capital value of such land shall be assessed having regard to the estimated market value of the land notified by the Government under section 45B of the Karnataka Stamp Act, 1957 and the taxable capital value of the building shall be the estimated cost of erecting.

The building determined at the time of assessment based on the method adopted by the Public Works Department, after deducting the depreciation at such rate and in such manner as specified in III Schedule.

(2) The taxable capital value of the vacant land shall be assessed having regard to the estimated market value of the land notified by the Government under section 45B of the Karnataka Stamp Act, 1957.”

6. **Insertion of new section 109A.** - After section 109 of the principal Act, the following shall be inserted, namely :-

“109A. Rebate for self-occupied building. – A rebate at the rate of fifty per cent of the property tax shall be allowed in respect of any building or part of a building which is occupied by the owner of such building.”

7. **Amendment of section 110.** - In section 110 of the principal Act, shall be renumbered as sub-section (1) and after sub-section as so renumbered, the following shall be inserted, namely :-

“(2) Notwithstanding the exemptions granted under this section it shall be open to the corporation to collect service charges for providing civic amenities and for general or special services rendered at such rates as may be prescribed.”

8. **Amendment of section 112.** - In section 112 of the principal Act,-

- (i) in sub-section (3) for the words “half year” the word “year” shall be substituted
- (ii) in sub-section (4), for the words “five per cent per annum” the words “two per cent per month” shall be substituted.

9. **Insertion of new section 112A, 12B, 112C and 112D.** - After section 112 of the principal Act, the following shall be inserted, namely :-

“112A. Assessment of property tax. – (1) Every owner or occupier who is liable to pay property tax under this Act shall every year submit to the Commissioner or the officer authorized by him in this form within such period and in such manner as specified in III Schedule.

(2) Before any owner or occupier submits any return under sub-section (1) he shall pay in advance the full amount of the property tax payable by him on the basis of such return and shall furnish along with the return satisfactory proof of payment of such tax and the tax so payable shall for the purposes of this Act be deemed to be the tax use from such owner or occupier. After the final assessment is made the amount of property tax so paid shall be deemed to have been paid towards the property tax finally assessed.

(3) If the Commissioner or the authorized officer is satisfied that any return submitted under sub-section (1) is correct and complete, he shall assess the property tax in accordance with the provisions of this Act and shall send a copy of the order of assessment to the owner or occupier concerned. Assessment under this sub-section shall be concluded within one year from the date of submission of return under sub-section (1).

(4) If any owner or occupier fails to submit a return as required under sub-section (1) or submits incomplete or incorrect return, the Commissioner or the authorized officer, shall cause an inspection of the land and building and may also cause such local enquiry as may be considered necessary, and based on such inspection and information collected, he shall assess the property tax and send a copy of the order of assessment to the owner or occupier concerned.

(5) When making an assessment of property tax under sub-section (3) or (4), the Commissioner or the authorized officer may also direct the owner or occupier to pay in addition to the property tax assessed a penalty, -

(a) not exceeding five per cent of the property tax assessed in the case of failure to submit a return; or

(b) not exceeding four times the amount of difference between the property tax assessed and the property tax paid along with his return in the case of knowing by submitting an incomplete or incorrect return.

(6) The owner or occupier may either accept the property tax assessed and the penalty if any, levied or send objections to the Commissioner or the authorized officer within a period of thirty days from the date of receipt of a copy of the order under sub-section (3) or (4).

(7) The Commissioner or the authorized officer shall consider the objections and pass such order either confirming or revising the assessment of such tax and penalty if any, within a period of ninety days from the date of filing objections and a copy of the order shall be sent to the owner or occupier concerned.

112B. Preparation and publication of property tax register. – (1) A property tax register in respect of buildings or lands or both in the city shall be maintained.

(2) When a property tax register is prepared and updated, the Commissioner or the authorized officer shall give a public notice thereof indicating the place where the register or copy thereof may be inspected.

(3) The authorized officer may on an application made by any person and subject to payment of such fees as may be specified by the corporation from time to time, permit such person to inspect the property tax register at reasonable hours or grant certified extracts of

(4) The Commissioner or the authorized officer shall issue a property tax book to every owner or occupier of building of lands, containing all the details of, buildings or lands or both and the property tax payable in relation to such buildings or lands or both.

112C. Levy of penalty on unlawful building. – Whoever unlawfully constructs or reconstructs any building or part of a building, -

- (i) on his land without obtaining permission under this Act or in contravention of any condition attached to such permission; or
- (ii) on a site belonging to him which is formed without approval under the relevant law relating town and country planning; or
- (iii) on his land in breach of any provision of this Act or any rule or bye-law made there under or any direction or requisition lawfully given or made under this Act or such rules or bye-laws;

shall be liable to pay a penalty, which shall be equal to twice the property tax leviable on such building without prejudice to any proceedings which may be instituted against him in respect of such unlawful construction :

Provided that such levy and collection of penalty shall not be construed as regularization of such unlawful construction or reconstruction.

112D. Survey of lands and buildings and preparation of property register. –

(1) The Commissioner shall, subject to the general or special orders of the Government, direct a survey of buildings or lands or both within the city with a view to the assessment of property tax and may obtain the services of any person or agency for conducting such survey and preparation of property register.

(2) A property register shall be maintained in such manner and containing such particulars in respect of buildings or lands or both as specified in III Schedule.

(3) For the purpose of preparation of property register or assessment of property tax in respect of any buildings or lands or both. The Commissioner or any person authorized by him in this behalf may enter, inspect, survey or measure any land or building after giving notice to the owner or occupier before such inspection and the owner or occupier shall be bound to furnish necessary information required for the purpose :

Provided that such entry into and upon any building or land shall be made between sunrise and sunset :

Provided further that in the case of buildings used as human dwelling due regard shall be paid to the social and religious customs of the occupiers and no apartment in the actual occupancy of a woman shall be entered until she has been informed that she is at liberty to withdraw and every reasonable facility has been afforded to her for withdrawing.”

10. **Amendment of section 186. -** In section 186 of the principal Act,-

- (i) in the heading, for the word “Chapter” the words “certain provisions of this Chapter” shall be substituted.
- (ii) for the words “This Chapter” the words and figures “provisions of sections 187 to 244” shall be substituted.

11. **Transitory provision.** - Notwithstanding anything contained in the principal Act, as amended by the Karnataka Municipal Corporations (Amendment) Act, 2000, (hereinafter referred to as the said Act) the property tax levied under the principal Act, immediately before it is amended by the said Act may, notwithstanding that the property tax so levied cannot be assessed or collected under the principal Act, as amended by the said Act be continued to be assessed and collected as if the provisions of the principal Act, the rules, bye-laws and notifications made or issued there under relating to such levy assessment, and collection as they existed prior to such amendment of the principal Act, had not been amended.