



The Gazette of Meghalaya
EXTRAORDINARY
PUBLISHED BY AUTHORITY

No. 59

Shillong, Friday, March 26, 2021

5th Caitra, 1943 (S. E.)

PART-IV
GOVERNMENT OF MEGHALAYA
LAW (B) DEPARTMENT

NOTIFICATION

The 26th March, 2021.

No.LL(B)87/97/227.—The Meghalaya Municipal (Amendment) Act, 2021 (Act No. 4 of 2021) is hereby published for general information.

MEGHALAYA ACT NO. 4 OF 2021.

(As passed by the Meghalaya Legislative Assembly)

Received the assent of the Governor on the 23rd March, 2021.

Published in the Gazette of Meghalaya Extra-Ordinary issue dated 26th March, 2021.

THE MEGHALAYA MUNICIPAL (AMENDMENT ACT) 2021

**An
ACT**

further to amend the Meghalaya Municipal Act (Assam Act XV of 1957) as adapted by the State of Meghalaya.

Be it enacted by the Legislature of the State of Meghalaya in the Seventy-second Year of the Republic of India as follows:-

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| Short title, application and commencement. | <p>(1) This Bill may be called the Meghalaya Municipal (Amendment) Bill, 2021.</p> <p>(2) It shall apply to the Municipalities in the State of Meghalaya.</p> <p>(3) It shall come into force on such date as the Government may by notification, appoint:</p> <p>Provided that the State Government may, by notification, appoint different dates for different provisions and municipalities.</p> |
| Amendment of Section 68 of Act XV of 1957. | <p>2. In Section 68 of the Meghalaya Municipal Act (Assam Act XV of 1957) herein after referred to as the Principal Act for the existing Section 68 and 68A and the heading appearing in chapter V, the following new heading and new Sections 68, 68A, 68B, 68D, 68E, 68F, 68G and 68H shall be substituted, namely: -</p> <p align="center">“MUNICIPAL INTERNAL SOURCES OF REVENUE”</p> <p>“68. Internal revenues of Municipal Board. (1) Internal resources of Municipal Board shall consist of receipts from -</p> <p>(a) Taxes:</p> <p>(b) User and other charges for the services provided by the Board: and</p> <p>(c) Fees and fines”.</p> <p>“68A. Taxes. (1) A Board may impose and collect the following taxes in accordance with the provisions of the Act, namely. -</p> <p>(a) property tax as referred to in Section 68F:</p> <p>(b) tax on advertisements other than advertisement in newspapers:</p> <p>(c) tax on private markets: and</p> <p>(d) any other tax approved by the State Government from time to time.</p> <p>(2) The manner for levy, assessment and collection of taxes shall be</p> |

prescribed by Rules.

“68B. User and other charges. (1) The Board may levy and collect user and other charges for facilities, if provided, such as. -

- (a) water supply:
 - (b) solid waste management:
 - (c) public transport:
 - (d) sewerage and sanitation:
 - (e) street lighting:
 - (f) municipal libraries:
 - (g) toll on vehicles and animals for using municipal roads, bridges and flyovers:
 - (h) primary health service and dispensaries provided by the Board:
 - (i) Parks, play fields and recreational centres:
 - (j) municipal crematorium and burial grounds:
 - (k) parking facilities provided by the Board, hiring of municipal assets (community hall, water tanker, cesspool cleaners etc.): and
 - (l) such other facilities as the Board may provide
- (2) The manner for levy, assessment and collection of taxes shall be prescribed by Rules.

“68C. Levy of fees. (1) The Board may levy fees for. -

- (a) registration of dogs, pets or animals kept:
- (b) granting licenses to plumbers, electricians or surveyors working in the municipal area:
- (c) granting licenses to practice or carry on any trade or profession requiring license or permission of the Board:
- (d) fee for setting up and maintenance of fire brigade:
- (e) issue of birth and death certificates: and
- (f) any other fee with prior approval of the State Government under this Act.

- (2) Where an area has been significantly developed by the Board and thereby property value in the area has increased, the Board may levy an area betterment fee.
- (3) The manner for levy, assessment and collection of taxes shall be prescribed by Rules.

“68D. Fines. For contravening the laws or bye-laws, framed under this Act, the Board may levy fines as it may prescribe, commensurate with the contravention.”

“68E. Procedure for imposition or revision of tax, user charges, fee and fines. (1) Whenever it is proposed to impose a tax user charges or fee and fines or revise the tax, user charge or fee structure, the Board shall make draft of the proposal indicating the nature, rate and purpose of taxes, user charges or fees and fines and get it published in at least two local newspapers having wide circulation in the municipal area concerned and any person or association of person may, within thirty days from the date of such publication, file its comments or objections to the Board for its consideration.

- (2) The Board shall consider the comments or objections as it may have received and make a final proposal and send it to the State Government for its consideration.
- (3) The State Government may, after consideration, approve the final proposal with or without changes or modifications as it may deem fit and convey the same to the Board for implementation with effect from such date as the Government may decide.
- (4) No tax, user charge or fees shall be imposed or generally revised without prior approval of the State Government.
- (5) The tax, user charge or fee structure shall remain valid for a period of five years or until it is generally revised and unless otherwise notified the values shall automatically be revised by applying the Consumer Price Index prevalent at that period.

PROPERTY TAX

“68F. Property tax. (1) Property tax shall be the aggregate of the -

- (a) house tax: and
- (b) drainage tax each of which shall be calculated as a percentage of the annual rateable value of the covered space of a building.

- (2) The percentage referred to in sub-section (1) shall be determined by the State Government from time to time.

Explanation. - “Annual Rateable Value” in relation to a building shall mean the estimate of the annual return of any property taking all factors such as physical infrastructure, social amenities: and environment conditions, which affects the value of the property or the expected return.

“68G. Rate of house tax and drainage tax. (1) Subject to the provisions of this Act, the Board after receiving the recommendations from the Municipal Valuation Committee constituted under Section 70 and after approval from the Government, shall notify the rate of tax on annual rateable value of the buildings.

- (2) The rate of tax on annual rateable value of building will remain fixed for five years until it is generally revised and unless otherwise notified the values shall automatically be revised by applying the Consumer Price Index prevalent at that period.

“68H. Vacant land tax. The amount of vacant land tax in respect of any holding which is lying exclusively vacant without any built up structure shall be equal to the normal rate of tax applicable to buildings multiplied by annual rateable value of the vacant land as referred in sub-section (2) of Section 76”.

Amendment of Section 70.

3. For the existing Section 70 of the principal Act, the following new Section 70, 70A, 70B and 70C shall be substituted, namely. -

“70. Constitution of the Municipal Valuation Committee and its functions. - (1) The Board shall even five years constitute a Municipal Valuation Committee (hereinafter referred to as the Valuation Committee) for a period not exceeding six months for examining and evaluating the tax, tax structure and other principles relating to taxation and make recommendations to the Board.

- (2) without prejudice to the generality of the provisions of sub-section (1) the Valuation Committee shall -

(a) make recommendations with regard to the classification of localities into homogeneous zones, categorization of holdings, fixation of base unit area value of covered space of building, the multiplicative factor values and tax rates: and

(b) perform such other functions as may be required by the State Government or by the Board.

- (3) The Valuation Committee shall consist of not more than five members who have or have had knowledge or experience in the fields of municipal taxation, property valuation, law, urban management or administration and one of them shall be designated as Chairperson and another as Member-Secretary.
- (4) The remuneration of the members of the Valuation Committee shall be fixed by the Government and paid out of the funds of the Board.

“70A. Unit for assessment. (1) Every building in a holding including contiguous portions built on the same foundation or cartilage and belonging to the same owner or co-owner shall be treated as single unit for the purpose of assessment of tax:

Provided that where such portions shall be treated as separate units notwithstanding that access to the portions is through a common entrance passage or staircase.

Explanation: In case of multiple buildings in a holding, the tax will be calculated for individual buildings separately and the consolidated tax will be paid by the owner of the holding.

- (2) In case of a housing residential complex owned by a co-operative society or association registered under any law for the time being in force, with common areas and facilities, each housing unit or apartment shall be treated as a separate building for the purpose of assessment of tax.
- (3) Where ownership of a building is sub-divided by shares or otherwise or where ownership of adjoining buildings is amalgamated the Board may on application made by parties interested therein, separate the buildings into buildings or, as the case may be amalgamated the buildings as a single building and assess accordingly the tax”.

“70B. Classification of localities into homogeneous zones and categorization of buildings- (1) For the purpose of assessment of property tax, localities in a municipal area may be classified into homogeneous zones and buildings grouped into categories.

- (2) In classifying homogeneous zones, the Valuation Committee constituted under Section 70 shall take into account the following parameters, namely :-
- (a) settlement pattern such as plotted housing, colony with flats, urban poor settlement, non-residential areas:

- (b) availability of civic and social infrastructure:
- (c) access to various classifications of roads (main road, other road, footpath);
- (d) and prices as notified by the competent authority:
- (e) access to district centres, market place, shopping centres:
- (f) use wise category of any building including residential buildings, commercial buildings, buildings for recreation and sports purpose, industrial buildings, public purpose buildings including educational, hospitals, institutional or as may be specified by the Board:
- (g) in the case of the buildings used for commercial, industrial, recreation and sports, the location of such buildings adjacent to such categories of street as may be subject to the provisions of this Section 2 be specified by the Board:
- (h) the types of buildings which may be classified as RCC Assam type, as may be specified by the Board:
- (i) the age wise grouping of the buildings as may be specified by the Board; and
- (j) such other parameters as may be considered relevant by the Valuation Committee.

Explanations: - "Reinforced Concrete Construction (RCC)" is a construction made of concrete in which reinforcing steel bars, or other types of reinforcement, cement and sand are used.

"Assam Type Construction" is a single or double storey structure where wood base or other light weight materials are used for walls and roofing including walls made of hollow blocks and bricks.

(3) The Valuation Committee shall recommend zone wise unit area values.

Explanation: "Unit Area Value" is an estimated per unit area return from building in a zone as fixed by the Government. The unit area value is the Rupees per square meter of covered space.

(4) The multiplicative factor to be applied on the unit area values specified in sub-section (3) separately in respect of each of the parameters of type groups,

use, age, type of structures, location of building, occupancy status or any other parameters as may be specified by the Valuation Committee.

“70C. Action on the recommendation of the Valuation Committee to be published: (1)

The recommendations of the Valuation Committee referred to in sub-section (2) of this Section shall, after it has been considered, be published by the Board through public notice in such form as it may decide and any person who may be affected may, within thirty days from the date of publication make representation to the Valuation Committee for reconsideration.

(2) After reconsideration by the Valuation Committee within fifteen days, the Valuation Committee shall submit the final recommendation to the Board. The Board shall then send the recommendations to the State Government and after receiving its approval may by public notice finally publish the classification of localities and categorization of buildings, unit area values.

Deletion of Sections 71, 72, 73 and 74.

(4) In the principal Act, the existing Sections 71, 72, 73 and 74 shall be deleted.

Amendment of Section 76.

(5) For the existing Section 76, the following new Sections 76 and 76A shall be substituted, namely. -

“76. Taxable area: Tax on a building shall be assessed on the total of the covered space of a building.

Explanation- “Covered space”, in relation to a building shall mean “covered by a roof, whether pucca, semi-pucca or kutcha (a grill, net, shall not be considered as a roof), and enclosed on all sides by means of walls, doors, shuttered, windows, grills or any such means or provided with a collapsible door, windows, grills or rolling shutters or any such means will enable the space to be enclosed. In case of exclusive vacant land, the taxable area would be the area of the land”.

“76A. Determination of annual rateable value of covered space of buildings and vacant land: (1) the annual rateable value of any covered space of building shall be the amount arrived at by multiplying the total area of such covered space of building by the unit area value of such covered space and the relevant factors as referred to in sub-section (4) of Section 70B.

(2) The annual value of any vacant land shall be equal to one fourth of the amount arrived at by multiplying the total area of such vacant land by the final unit area value of the zone and the relevant factors as referred to in sub-section (4) of Section 70B.

Amendment of Section 77.

(9) For the existing Section 77 of the principal Act, the following new Section shall be substituted, namely. -

“77, Self assessment and tilling of tax returns. (1) An owner or, as the case may be an occupier of a holding shall, on the coming into force of this Amendment Bill, 2020, prepare self-assessment returns in respect of his or her holding and shall calculate and pay the amount of the tax as may be due.

(2) The returns shall be in forms as may be prescribed and shall be filed within ninety days from the date of the coming into force of the Act aforesaid along with proof of payment of the amount of tax so calculated.

(3) Subject to the provisions of this Act, tax paid on the basis of self-assessment shall be deemed to be the tax duly paid in respect of the buildings.

“Explanation- The onus of pay of self assessed tax on buildings within a holding is on the owner of the holding”.

(4) The returns filed shall remain valid for a period of five years except when a change has occurred in the character of any portion of the buildings, revised returns shall be filed and tax as may consequently become due shall be paid within sixty days from the date either of the changes occurred.

(5) In case of a new building for which completion or occupancy certificate (whichever is earlier) has been granted whether provisionally or finally, or which has been wholly or partly occupied. The self-assessment returns shall be filed within thirty days of the granting of the certificate or of the occupying whichever occurs earlier.

(6) The advance property tax may be paid either as a single instalment for the whole year by the close of the first quarter with a rebate or may be paid in equal instalments without rebate by the last date of the end of each quarter of each year. For payment of advance tax in one single instalment for the whole year, the percentage of rebate is to be specified in the rules under the provisions of the Act.

(7) In the event of late payment of property tax after each relevant quarter a monthly interest is to be levied on the tax to be paid. The rate of tax is to be specified in the Rules under the provisions of the Act.

(8) Where self-assessment returns are not filed or where an existing building has been redeveloped or substantially improved without permission of the Board, the Board may *suo moto* assess and levy tax with interest as specified in the rules under the provision of this Act.

Deletion of Sections 78, 79 and 80.

(7) The existing Sections 78, 79 and 80 of the principal Act shall be deleted.

Amendment of Section 81.

(8) For the existing Section 81 of the principal Act, the following shall be substituted, namely. -

“81. Preparation of Assessment registers. (1) The Board shall maintain an Assessment Register containing the list of all holdings, building, names of owners, holding number, type of construction, annual values and other relevant particulars in such form as may be prescribed by Rules.

- (2) The draft of the Assessment Register shall be previously published by public notice inviting comments from owners, occupiers or persons genuinely interested in the holdings for the Board to consider the same before finalising the Register.
- (3) Entries in the Register shall be revised and updated from time to time as may be necessary.”

Deletion of Section 82.

- (9) The existing Section 82 of the principal Act shall be deleted.

Amendment of Section 83.

- (10) For the existing Section 83 of the principal Act, the following shall be substituted, name:-

“83. Revision of assessment. (1) The Board may cause any revision to be made at any time in the annual value of any covered space building or any portion thereof in the following cases-

- a) the tenure of use or occupancy of the building has changes attracting a higher amount of tax payable: or
- b) where an application is made and it is established that the building has been demolished or substantially demolished or has suffered depreciation on account of any accident or calamity taking place beyond the control of the owner or occupier or alteration or addition in the existing building has been made, the Board may revise the tax on conditions as it may decide:
- c) where any covered space of building or portion thereof is acquired by purchased or otherwise by the Central Government or the Board

- (2) The Board shall give any owner, person or occupier, as the case may be affected by such revision, notice of not less than thirty days that he proposed to make the revision and consider any objections which may be made by such owner, person or occupier.

Amendment of Section 85.

11. For the existing Section 85 of the principal Act, the following shall be substituted, namely:-

“85. Taxes by whom payable. - Property Tax in respect of a holding shall be payable by the owner or occupier and if by the later the owner shall intimate and furnish the Board with valid authorization documents or extracts from the tenancy agreement to that effect and other particulars as may be necessary.

- “Explanation :** The tax will be assessed on the buildings within a holding: however the onus of payment of tax will be on the owner of the holding.”
- Amendment of Section 86.** 12. For the existing Section 86, the following shall be substituted, namely.-
- “86. Property Tax Identification Number (PTIN).-** (1) Every holding shall be assigned with a property tax identification number (referred to as ‘PTIN’) which may indicate the ward No., Holding No. and Division Number of the holding and such other particulars as may be specified.
- (2) The method, procedure and style of assigning the PTIN shall be prescribed by Rules.”
- Amendment of Section 87.** 13. For the existing Section 87 of the principal Act, the following shall be substituted, namely. -
- “87. Transitory provisions. -** (1) Any action taken or tax assessed and paid immediately before the date of the coming into force of these Meghalaya Municipal (Amendment) Bill, 2020 shall be deemed to be an action taken or tax assessed and paid under the provisions of the Act aforesaid :
- “Provided that where, on such date, tax assessment of any holding has not been finalised, the tax shall be assessed in accordance with the provisions of the Act aforesaid.
- “(2) If in any case, any inconsistency arises in respect of any of the provisions of the Meghalaya Municipal (Amendment) Bill, 2020 the decision of the Board in any case shall be final.
- Deletion of Section 88.** 14. In the principal Act, the existing Section 88 shall be deleted.
- Amendment of Section 92.** 15. For the existing Section 92 of the principal Act, the following shall be substituted, namely. -
- “92. Exemption from property tax. -** (1) Notwithstanding anything contained in this Act, no tax shall be leviable on -
- a) a building or portion of a building exclusively used for public worship, burial or cremation :
- b) a building of the Union Government and consular or diplomatic authorities :
- c) a building owned or vested in and used and managed by the Board for its own purpose; and
- d) any other building as may be specified by the State Government.
- “(2) For the removal of doubt, user and other charges and fees shall be leviable on buildings referred to in sub-section (1).
- (3) The Board shall cause to be maintained a register showing separate vacant lands or building exempted from property tax under sub-section (1) in such forms may be specified by the Board and such register shall be open to public for inspection.”

- Amendment of Section 93.** 16. For the existing Section 93 of the principal Act, the following shall be substituted, namely. -
- “93. Power of the Board regarding assessment.** - (1) The Board may check the self-assessment returns filed and, if necessary, cause inspection by its officers to verify the correctness of the parameters furnished.
- “(2) If on inspection it is found that -
- a) the information furnished is grossly incorrect and the tax paid is less than the actual due, it shall re-assess and serve notice of demand for payment of the difference thereof and the owner or occupier, as the case may be, of the holding shall, within sixty days from the date of receipt of the notice, pay the amount :
- “Provided that if no such demand notice is served within twelve months after the year the self-assessment relates to has ended, the self-assessment filed shall be deemed to be an assessment duly made under this Act.”
- b) If the tax paid is more than the tax due, the Board shall refund the difference with an interest. The rate of interest is to be specified under the provision of the Act.
- “(3) Where the owner or occupier filling the self-assessment returns wilfully suppresses facts or material information the Board may at any time re-assess the tax due and after giving notice to the owner or, as the case may be, the occupier to state his case and after hearing him, wherever necessary, impose a penalty to be specified in the rules under the provision of the Act.
- “(4) The levy of penalty under sub-section (3) shall be in addition to any other punishment as may be provided in the Act.
- Deletion of Section 94.** 17. The existing Section 94 of the Principal Act, shall be deleted.
- Amendment of Section 95.** 18. For the existing Section 95, the following new Sections 95 and 95A shall be substituted, namely. -
- “95. Municipal Taxation Tribunal.** (1) Without prejudice to the provisions of the Act the State Government may establish a Municipal Taxation Tribunal (hereinafter referred to as “The Tribunal”) in each of the municipalities to hear, resolve or decide disputes or grievances pertaining to the Board and the tax payers arising from assessment, tax or any matter related to the municipality.
- (2) The Tribunal shall consist of three members who shall be appointed by the State Government, one of whom shall be designated as Chairperson and one as Member Secretary.
- (3) The members shall be of persons possessing experience in property valuation, engineering, tax, law or public affairs.
- (4) the remuneration and facilities of the Chairperson and other members shall be decided by the State Government.
- (5) The Tribunal shall lay down the procedure for disposal of matters before it.

“95A. Petition before the Municipal Taxation Tribunal. (1) The Board or a taxpayer aggrieved with any matter mentioned in sub-section (1) of Section 95 may, within a period of sixty days from the date the dispute or matter arises, file a petition before the Tribunal along with a fee to be specified in the Rule under the provisions of the Act:

Provided that no petition shall be entertained unless the petitioner has paid all arrears of dues to the Board accrued up to the date of such petition other than the sum which has been enhanced by the valuation assessment against which review petition has been filed :

Provided that the Tribunal may, for reasons to be recorded, condone delay and admit a petition filed after the expiry of the period of sixty days.

- (2) The Tribunal shall consider the case presented before it and hear the parties as may be considered necessary and give a decision along with its findings :

Provided that the Tribunal shall endeavour to resolve a dispute or matter in an expeditious and amicable manner possible.”

Deletion of Section 96, 97 and 104. 19. The existing Sections 96, 97 and 104 of the Principal Act, shall be deleted.

Amendment of Section 106. 20. For the existing Section 106 of the Principal Act, the following shall be substituted, namely. -

“106. Bill and notice of demand. (1) Within three months after any sum has become due on account of any tax, user charge or fee. the Board shall cause to be presented to the person liable to the payment thereof a bill and a notice of demand the said sum, which shall contain statement of the period and the tax, user charge or fee on account of which the charge is made :

Provided that no charge shall be made in respect of service of such bill or notice”.

- “(2) such bill or notice shall be signed by or stamped with a facsimile or digital signature of the Chairman, Vice Chairman or any officer duly authorised in that behalf”.

D. LYGDOH,
Deputy Secretary to the Govt. of Meghalaya,
Law (B) Department.

The 5th April, 2021.

ERRATA

No.LL (B) 87/97/241. – In notification No.LL (B) 87/97/227, dated 26th March, 2021 - please *read* 'Act' for the word 'Bill' appearing in the short title, application and commencement of the Meghalaya Municipal (Amendment) Act, 2021.

D. LYNGDOH,
Deputy Secretary to the Govt. of Meghalaya,
Law (B) Department.