

THE KARNATAKA MUNICIPAL CORPORATIONS (AMENDMENT) ACT, 2021

KARNATAKA

India

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Act 04 of 2021

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An Act further to amend the Karnataka Municipal Corporations Act, 1976. Whereas it is expedient further to amend the Karnataka Municipal Corporations Act, 1976 (Karnataka Act 14 of 1977) for the purposes hereinafter appearing; Be it enacted by the Karnataka State Legislature in the seventy second year of the Republic of India as follows, namely:-

1. Short title and commencement.—

(1) This Act may be called the Karnataka Municipal Corporations (Amendment) Act, 2021. (2) It shall be deemed to have come into force with effect from the 19th day of January, 2021.

2. Amendment of section 108-

In the Karnataka Municipal Corporations Act, 1976 (Karnataka Act 14 of 1977) (hereinafter referred to as the principal Act), in section 108, (i) in sub-section (2), (a) in clause (b), for the figures, words and brackets “0.3 percent (rupees three per thousand)” and “one percent (rupees ten per thousand)”, the figures, words and brackets “0.2 percent (rupees two per thousand)” and “1.5 percent (rupees fifteen per thousand)” shall respectively be substituted. (b) in clause (c), - (i) after the words “Vacant land”, the words, figures and brackets, “at such percentage not being less than 0.2 percent (rupees two per thousand) and not more than 0.5 percent (rupees five per thousand) of taxable capital value of land” shall be inserted; and (ii) the sub clauses (i), (ii) and (iii) shall be omitted. (ii) in sub-section (3), for the second proviso, the following shall be substituted, namely:- “Provided further that, the vacant land appurtenant to the building, up to one thousand square feet shall be exempted and more than one thousand square feet shall be levied with property tax on vacant land in accordance with clause (c) of sub-section (2).”

3. Amendment of section 109.-

In section 109 of the principal Act, (i) in sub-section (1), for the words “fifty percent of the market value guidelines”, the words “twenty five percent of the prevailing market value guidelines” shall be substituted.(ii) in sub-section (2), for the words “fifty percent of the market value guidelines”, the words “twenty five percent of the prevailing market value guidelines” shall be substituted.

4. Amendment of section 109A.-

For section 109A of the principal Act, the following shall be substituted, namely:-“109A.

Enhancement of property tax.- (1) Notwithstanding anything contained in section 108 and 109 the property tax assessed and levied under either provision shall be assessed in year of revision of guidance value of property under section 45B of the Karnataka Stamps Act, 1957.(2) The property tax shall stand enhanced by three percent for every financial year in which no revision of guidance value is made.Provided that, the Municipal Corporation may enhance such property tax up to five percent for every financial year and different rate of enhancement may be made to different areas and different classes of buildings and lands.Provided further that, nothing contained in this section shall be deemed to affect the power of State Government to direct an earlier revision of property tax.Explanation: “Financial year” shall mean the year commencing on the first day of April.”

5. Repeal and savings.-

(1) The Karnataka Municipal Corporations (Amendment) Ordinance, 2021 (Karnataka Ordinance 03 of 2021) is hereby repealed.(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under principal Act, as amended by this Act.