



**PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA**

**MUNICIPAL COUNCILS AND URBAN
COUNCILS (AMENDMENT)
ACT, No. 20 OF 1985**

(Certified on 23rd May, 1985)

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Municipal Councils and Urban Councils (Amendment)
Act, No. 20 of 1985

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L.D.—O. 48/81

**AN ACT TO AMEND THE MUNICIPAL COUNCILS ORDINANCE AND
THE URBAN COUNCILS ORDINANCE**

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:—

1. This Act may be cited as the Municipal Councils and Urban Councils (Amendment) Act, No. 20 of 1985. Short title.

PART I

2. The Municipal Councils Ordinance (hereafter in this Part referred to as the “principal enactment”), as amended by Act No. 42 of 1979, is hereby further amended in section 230 thereof, by the addition, at the end of that section, of the following new subsection:— Amendment of section 230 of Chapter 252.

“ (4) The Minister may from time to time make regulations specifying the quantum of discount to which rate-payers who pay their rates in advance shall be entitled.”

3. Section 247A (inserted by Act No. 42 of 1979) of the principal enactment is hereby amended in subsection (2) of that section as follows:— Amendment of section 247A of the principal enactment.

(1) by the substitution for the words “so licensed:” of the following:—

“so licensed, and, where such licence authorizes the use of such premises for the purposes of any trade, having regard to—

- (a) the annual value of such premises;
- (b) the turnover of business of such trade;
- (c) the profit that is likely to be earned in such trade; and
- (d) the essential nature of the goods or services supplied in the course of such trade:”; and

(2) in the second proviso to that subsection—

- (a) by the substitution for the words “registered with the Sri Lanka Tourist Board”, of the words “registered with or approved or recognized by the Ceylon Tourist Board”; and

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- (b) by the substitution for the words "shall not exceed one *per centum* of such takings.", of the following:—

"shall not exceed one *per centum* of such takings. Where such hotel, restaurant or lodging house is in its first year of operation, the licence duty shall be determined and levied according to the annual value of such premises."

Insertion
of new
section
247BB in the
principal
enactment.

4. The following new section is hereby inserted immediately after section 247B, and shall have effect as section 247BB, of the principal enactment:—

"Determination of duty or tax where several trades are carried on.

247BB. Where a Municipal Council resolves to impose and levy a duty in respect of a licence under section 247A or a tax on a trade under section 247B, and the trade carried on is one of many other trades carried on in the same premises, the Council shall determine such duty or tax on the basis of the apportioned annual value of the area of the premises occupied for the purposes of such trade."

Amendment
of section
247c of the
principal
enactment.

5. Section 247c (inserted by Act No. 42 of 1979) is hereby amended as follows:—

- (a) in subsection (1) of that section, by the substitution for the words "or any tax", of the words "or no tax";

- (b) by the insertion, immediately after subsection (1) of that section, of the following new subsection:—

"(1A) A Municipal Council may by resolution impose and levy annually on every person who, within the administrative limits of such Council, practises any profession a tax of an amount not exceeding an amount specified by the Minister by regulation as the maximum amount of tax which the Council may so impose and levy."

- (c) in subsection (2) of that section, by the substitution for the expression "under subsection (1)", of the expression "under subsection (1) or subsection (1A).";

(d) in subsection (3) of that section—

(i) by the substitution for the words “the tax”, of the words “any tax”; and

(ii) in the definition of “business”, by the substitution for the words “trade or profession or calling”, of the word “trade”; and

(e) by the substitution for the marginal note to that section, of the following marginal note:—

“Tax on businesses and professions.”

6. Section 247D (inserted by Act No. 42 of 1979) of the principal enactment is hereby amended in subsection (1) of that section by the substitution, in paragraph (b) of that subsection, for the words “less than the prescribed proportion; or”, of the words “less than that prescribed by the Council by resolution; or”.

Amendment of section 247D of the principal enactment.

PART II

7. The Urban Councils Ordinance (hereafter in this Part referred to as the “principal enactment”), as amended by Act No. 42 of 1979, is hereby further amended in section 160 thereof, by the addition at the end of that section, of the following new subsection:—

Amendment of section 160 of Chapter 255.

“(5) The Minister may from time to time make regulations specifying the quantum of discount to which ratepayers who pay their rates in advance shall be entitled.”

8. Section 164 of the principal enactment, as amended by Act No. 42 of 1979, is hereby further amended in subsection (2) of that section as follows:—

Amendment of section 164 of the principal enactment.

(1) by the substitution for the words “to be licensed:” of the following:—

“to be licensed, and, where such licence authorizes the use of such premises for the purposes of any trade, having regard to—

(a) the annual value of such premises;

(b) the turnover of business of such trade;

(c) the profit that is likely to be earned in such trade; and

(d) the essential nature of the goods or services supplied in the course of such trade:”; and

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(2) in the second proviso to that subsection—

(a) by the substitution for the words “registered with”, of the words “registered with or approved or recognized by”; and

(b) by the substitution for the words “shall not exceed one *per centum* of such takings.”, of the following:—

“shall not exceed one *per centum* of such takings. Where such hotel, restaurant or lodging house is in its first year of operation, the licence duty shall be determined and levied according to the annual value of such premises.”

Insertion
of new
section
165AA
in the
principal
enactment.

9. The following new section is hereby inserted immediately after section 165A, and shall have effect as section 165AA, of the principal enactment:—

“Determination of duty or tax where several trades are carried on.

165AA. Where an Urban Council resolves to impose and levy a duty in respect of a licence under section 164 or a tax on a trade under section 165A, and the trade carried on is one of many other trades carried on in the same premises, the Council shall determine such duty or tax on the basis of the apportioned annual value of the area of the premises occupied for the purposes of such trade.”

Amendment
of section
165B of the
principal
enactment.

10. Section 165B (inserted by Act No. 42 of 1979) is hereby amended as follows:—

(a) in subsection (1) of that section, by the substitution for the words “or any tax”, of the words “or no tax”;

(b) by the insertion, immediately after subsection (1) of that section, of the following new subsection:—

“(1A) An Urban Council may by resolution impose and levy annually on every person who, within the administrative limits of such Council, practises any profession a tax of an amount not exceeding an amount specified by the Minister by regulation as the maximum amount of tax which the Council may so impose and levy.”;

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(c) in subsection (2) of that section, by the substitution for the expression "under subsection (1)", of the expression "under subsection (1) or subsection (1A)";

(d) in subsection (3) of that section—

(i) by the substitution for the words "the tax", of the words "any tax",

(ii) in the definition of "business", by the substitution for the words "trade or profession or calling", of the word "trade"; and

(e) by the substitution for the marginal note to that section, of the following marginal note:—

"Tax on
businesses
and
professions."

11. Section 165c (inserted by Act No. 42 of 1979) of the principal enactment is hereby amended in subsection (1) of that section by the substitution, in paragraph (b) of that subsection, for the words "less than the prescribed proportion; or" of the words "less than that prescribed by the Council by resolution; or".

Amendment
of section
165c of the
principal
enactment.

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