MUNICIPAL CORPORATION SHIMLA

PUBLIC NOTICE

The Municipal Corporation, Shimla intends to implement new property taxation system i.e. Unit Area Method in its jurisdiction. The Draft Bye-Laws have been framed in this connection. A public hearing on this subject will be organized in Bachat Bhawan Hall, D.C. Office Complex, Shimla on dated 17.01.2014 and 18.01.2014 between 11:00 am to 4:00 pm. All interested person are welcome to attend the public hearing. The draft Bye-Laws containing suggestive/indicative zones, factor values etc. have also been uploaded in the official website of Municipal Corporation Shimla i.e. <u>www.shimlamc.gov.in</u>. , copies are also available in the zonal offices at Dhalli, Kasumpti, New Shimla as well as in the offices of the JE's Chaura Maidan,Chotta Shimla, Kasumpti, Totu,Barrier,Boileauganj, Sanjauli, MC Offices, Tax Department of MC, near lift.

No.MCS/Commr/Tax/2014- 50

Commissioner, Municipal Corporation, Shimla.

6-1-14 Dated:

DRAFT BYE-LAWS RELATING TO PROPERTY TAXATION

1. Short title o commencement		(i). (ii)	These Bye-laws may be called the Municipal Corporation Shimla (Property Taxation) Bye-laws, 2013. These bye-laws shall come into force from the date of publication of its
		(1)	notification in the Rajpatra of Himachal Pradesh.
2. Definitions		(1).	In these bye-laws unless the context otherwise require,
		(i)	"Act" means the Himachal Pradesh Municipal Corporation Act, 1994 (Act No.12 of 1994) readwith its amendment vide H.P. Municipal Corporation(Amendment) Act, 2011.
		(ii)	"Appellate Authority" means an authority prescribed under Section 132 of the Act.
		(iii)	
			"Assessment List" means the list of all units of the lands and buildings assessable to property tax under the provisions of this Act.
		(iv)	"Assessment year" means the year commencing from the first day of April to $31^{\rm st}$ of March of succeeding year.
		(v)	"Bye Laws" means the Municipal Corporation Shimla(Property taxation) bye-laws 2013 made under the Act as notified in the official gazette.
		(vi)	"Corporation" means the Shimla Municipal Corporation.
		(vii)	"Section" means a Section of the Act.
		(viii)	"Unit" means a specific portion of the land and building in use and occupation of the owner(s) or occupier(s) including vacant land and portion of the building.
		(ix)	"Unit area" means area of a unit in square meters.
		(x)	"Unit area tax" means property tax on $unit(s)$ of lands & buildings which shall be charged per annum between one per cent to twenty five percent as may be determined on the rateable value of $unit(s)$ of lands & buildings by the Corporation from time to time.
		(xi)	All other words and expressions used herein but not defined shall have the same meaning respectively as assigned to them in the Act.
3. Assessment what to contain.	list	(a)	The Commissioner shall keep a book to be called the "Assessment List" in which the following shall be entered in Form -A appended to these bye-laws:- A list of all units of the lands and buildings located within the jurisdiction of Shimla Municipal Corporation, distinguishing each either by name or number and containing such particulars regarding the location or nature of each, which shall be sufficient for identification thereof.
		(b)	The rateable value of each unit of the lands and buildings.

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	(c) (d) (e)	The name of the person primarily liable for payment of property tax and rateable value as well as property tax demand on his/her unit of land or building. If any such unit of a land or a building is not liable to be assessed to the property tax, the reason for such non-liability; and Other details; if any, as the Commissioner may from time to time think, fit.	
Explanation	(i)	For the purpose of clause (b) the rateable value of the unit(s) of the land will the rateable value of the unit(s) of the land and the case of unit(s) of t building, rateable value will include the rateable value of the land and the unit of the building erected thereon.	
	(ii)	For the purposes of charging property Tax on a unit of land, the unit of land shall be treated as "land" till the completion plan of building is sanctioned by Municipal Corporation Shimla or such construction is put to use on the spot whichever occurs first. Accordingly, property tax shall be continued to be charged on the rateable value of the unit of land till such time treating it as "land".	
4. Form of Assess- ment list.		The assessment list shall be kept in the form-A hereto. The Commissioner may order to add, omit, amend or alter any of the columns of the proforma of the assessment list as and when required.	
 Procedure where name of person primarily liable for property tax cannot be ascertained. Inspection of assessment list. 		If the name of the person primarily liable for the payment of property tax in respect of any unit of any land or building cannot be ascertained, it shall be sufficient to designate him in the assessment list, property tax bill and in any notice which may be necessary to serve upon the said person under the Act, as "the holder" of such unit of land or building without further description. If assessment list has been completed, the Commissioner shall give public notice thereof mentioning therein the place where assessment list or copy thereof may be inspected and every person claiming to be the owner or lessee or occupier of any unit(s) of any land or building included in the assessment list and any authorised agent of such person shall be at liberty to inspect the list and to file written objection within 30 days from the date of publication of such public	
7. Register of objections	(1) (a)	notice in the newspaper(s). The Commissioner shall keep a register of objections in which all objections received under sub-section (4) of Section 94 and sub-section (2) of Section 96 shall be entered. The register shall contain:- The name or number of the land or building in respect of which objection is received;	

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(b)	Name of the person primarily liable for the payment of property tax;
(c)	Name of the objector.
(d)	The rateable value finally fixed after enquiry and investigation of the objection
	by the Committee constituted in this behalf;
(e)	The date from which the rateable value finally fixed has to come into force; and

(f) Such other details as the Commissioner may from time to time think, fit;

Amendment of 8. assessment list under provisions the of section 96 and investigation and disposal of objections against such amendment.

(i)

When any amendment is proposed to be made under the provisions of Section 96 such amendment will provisionally be made in the assessment list and the notice as required under the provision of sub-section (2) of Section 96 shall be served on the person affected by the amendment after affording him the opportunity to file objection, if any, against the proposed amendment within 30 days from the date of receipt of such notice.

- (ii) Objections shall be inquired into and investigated by the Committee constituted in this behalf under Section 94(5) of the Act, after affording opportunity of being heard to the objector.
- (iii) The assessment `list shall be finally amended in accordance with the decisions made by the said Committee.
- (iv) If no objection is received or if the same are received but not within the time limit specified in this behalf in the notice, the assessment list shall be finally amended by confirming the provisional amendment made in the assessment list. However, for special reasons to be recorded in writing, the Committee constituted in this behalf may consider objections received after the expiry of the stipulated period.
- Property tax on the basis of the amended assessment list shall be due from the date specified in the assessment notice or from the date as may be decided by

the Committee constituted in this behalf.

Provided that payment of property tax on the basis of the assessment

list, as existing before such an amendment will not be withheld on the ground that

some amendment is to be made in the list.

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9. Payment of property taxes where to be made.

10. Demand of property tax to be raised annually by issuing one single bill for one unit of a property.

11. Service of property tax bills and demand notices in respect of unpartitioned unit of property. Every person who is liable to pay any of the property tax shall pay the same at the Head Office of the Corporation or at such other place(s) and time as may be specified by the Commissioner. However, the payment of tax shall be made either by cash or cheque or through Bank Draft drawn in favour of the Commissioner, Municipal Corportion Shimla, payable at Shimla or through RTGS in the Bank Account of M.C. Shimla.

(i). Demand of property tax shall be raised annually by issuing a single property tax bill on form-B annexed to these bye-laws for each unit of a property. The service of bill shall be effected by hand through special messenger and in case owner or occupier upon whom the bill is to be served is living outside the municipal limits, the bill shall be issued by post under certificate of posting or by registered/speed post. In case the owner or occupier avoids by hand service of the bill, service of the bill shall be effected by affixing the bill in presence of two witnesses on the unit of the property to which the bill relates.

(ii). In case the person owner or occupier upon whom the property tax bill has been served fails to make payment of the property tax within the due date, the property tax shall be recovered by the Commissioner or by the officer/official authorized by him in this behalf by initiating immediate action under the provisions of Section 124 of the Act.

Provided that nothing herein contained shall affect the liability of such person to any increased property tax to which he may be assessed on account of the said unit of property owing to a revision of the rateable value.

(iii) The tax for the ensuring year shall be paid either in lump-sum with in 30 days at the beginning of the financial year i.e. up to 30thApril or in two half yearly installments. The first installment to be paid by 30th April and second installment by 30th October every year.

If an unpartitioned unit of a property is owned by more than one person, service of bill(s) and notice(s) of demand on any one co-owner shall be treated as service on all the owners.

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12.		and	(i)	A register of demand & collection of property tax in form-F appended to
collection registers.			these bye-laws shall be maintained showing therein the figures of property tax demand, collection, rebate, remission adjustment, arrears, excess recoveries and such other particulars in relation to each unit of the property. This register will be kept either in the shape of hard copy or in the shape of soft copy or in both shape as the Commissioner shall think fit.	
			(ii)	The register may, if the Commissioner thinks fit be made in separate parts or volumes for such purposes and with such several designations as the Commissioner may determine.
			(iii)	The separate Register shall be maintained for recording information regarding details of arrears for previous years.
	Circumstan considered y of propert	as		For the purpose of sections 127 and 128:-
			(a)	A unit of building or of a tenement reserved by the owner for his own occupation shall be deemed to be occupied, whether it is actually occupied by the owner or not;
			(b)	Any unit of building or of a tenement used or intended to be used for the purpose of any industry which is seasonal in character shall not be deemed to be vacant

and

14. Remission/Refund not claimable unless notice of vacancy is given to the Commissioner every year.

15. Inspection by Municipal Staff of the vacant unit of the property. When a vacancy continues from one year into the following year, no refund or remission of any property tax shall be claimable from the Commissioner on account of such continued vacancy unless notice thereof is given to the Commissioner within 60 days from the commencement of the next financial year.

merely on account of its being unoccupied and unproductive of rent during such period or periods of the year in which seasonal operations are normally suspended;

If any owner or occupier does not allow or facilitate the inspection by the authorised Corporation staff of any unit of the property claimed by him to be vacant, the Commissioner may refuse to treat such unit of building or tenement, as the case may be, as vacant till the day such inspection is made, and the vacancy of the unit of property verified.

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16. Copies of property tax bill(s).

17. Notice of Transfer of title.

18. Property tax to be paid upto date.

19. Filing of return by owner(s)/ occupier(s).

20. Penalty for nonsubmission of return.

21. Inspection of Tax record.

22.Location factor/characteristic and its value

P. -6-

The Commissioner may, on a request in writing from the owner of any unit of land or building or any other person primarily liable to pay property tax in respect thereof, give a copy or copies of any bill/bills for any property tax on payment of such fee as may be fixed by the Commissioner from time to time.

The notice regarding transfer of title of any unit of any property required to be given under Section 98 shall be either in Form-"C" or Form-"D" annexed to these bye-laws, as the case may be, and shall state clearly and correctly all the particulars required in the said Form(s).

No such notice as contained in bye-laws 17 above shall be deemed to be validly given unless the property tax due upto the date of transfer of title of the unit of property is paid in full.

The Commissioner may require any owner or occupier of a unit of land or building or of any portion thereof to furnish information or a written return in Form - "E" appended to these bye-laws. Every owner or occupier on whom any such requisition is made shall be bound to comply with the same and to give true information or to make a true return to the best of his/her knowledge or belief, within a period of thirty days from the service of such requisition upon him/her.

Whoever omits to comply with any requisition under bye-laws 19 of these bye-laws or fails to give true information or to make a true return to the best of his/her knowledge or belief, shall in addition to any penalty under Section 101 of the Act, be precluded from objecting to any assessment made by the Commissioner in respect of such unit of the land or building of which he/she is the owner or occupier.

Every owner, lessee or occupier of a unit of land/ building or authorised agent of any such person may, with the permission in writing of the Commissioner or any officer/official authorized by him in this behalf inspect the tax record relating to the unit of the land/building of which is owner, lessee, agent or occupier free of charge during the office hours.

For the purpose of clause (c) of section 88 of the act, the location Factor, characteristic and its values shall be as under.

Condt P-7

1) Tentative zoning of Shimla town proposed as follows.

A1 Zone may include the following area.

Starting from main gate of Indian Institute Advanced Studies to Chhota shimla (only front end of Mall Road) including the Ridge, Jodha Niwas up to Ram Chandra Chowk and Raj Bhawan. It may also include area of Lakkar bazaar up to Pump House near Manchanda Medicos and from Victory Tunnel, lower part of Lakkar bazaar up to Aukland.

A Zone will include following area.

Back side of the Mall Road, upper Side of Lower Bazaar up to Victory Hotel.High Court, upper side of Cart Road, Meat Market, Ram bazaar, Lower Bazaar, Ganj Bazaar up to Winter Field (HPPWD Office).

B Zone may include the following area.

Chhota Shimla to Kasumpati up to Mehli Chowk, Panthaghati. Vikas nager, Dev Nagar BCS, New Shimla, SDA Complex, Nigam Vihar, Khalini, Kanlog, Bemloi, KNH, Krishna Nagar, Nabha Ram Nager Tutikandi, Victory Tunnel to Boileauganj Chakkar up to Asia the Down, Summer Hill Totu Chowk Kaithu Upper Annadale Ruldubhatta Shankli, Bharari bazaar, IGMC to Sanjauli tunnel, Engine- Ghar North oak Navbhar.

C Zone may include the following area.

Lower Totu up to lower Summer Hill , Annadale ground, Lower Kaithu, Panthagathi Lower Bharari, Cemetry , Jhanjhiri, Lower Engineghar, Bhatta kuffar.

D Zone may include the following area.

Below St.Bede's College Totu, Kuftadhar, Gawahi, Mashobra, Chamyana, Malyana, Jhanari, Surya Nagar (Vikas Nagar), Rajhana, Lower Pateog, Panthaghati remaing area.

Condt. P-8

Numer of zones = The entire old and merged municipal area is proposed to be divided into five zones i.e. zone -A-1, zone -A zone-B zone-C and zone-D. Factors and proposed value of each factor: There are five factors which are relevant for determination of rateable value of lands & buildings. These factors and proposed value of each factors per sq. meter is as under:-

(I). Location factor(F-1):

Location(zone)	No.	Value per sq.mtr.	
A-1	=	10/-	
А	=	7.50/-	
В	=	5/-	
С	=	3/-	
D	=	2/-	

For the purpose of clause (c) of Section 88 of the Act, buildings shall be classified as pucca, semi-pucca and kucha in the following manner:-

(i) For Pucca- building, value per sq.mtr = 4.00

(ii) For semi-pucca building, value per sq. mtr = 3.00

(iii) For kucha building, value per sq.mtr = 1.00

For the purposes of clause (c) of Section 88 of

the Act, all the buildings shall be grouped age-wise as

under having factor value as mentioned against each

age group:-

Group.

Factor value.

A = Before 1970	= 4.00
B = above 1970 to 2000	= 5.00
C = above 2000 to 2013	= 6.00

Condt.P-9

23. Structural factor/characteri stics and its value.

24. Age factor and Age-wise grouping and value of the buildings. 25. Occupancy factor/characteri stics and its value. The occupancy factor and its value shall be as under for the purpose of Clause (c) ibid:-

(i). Value for residential occupancy:

(a) Value for self	(b) Value for Let out
residential	let out
	residential
2.00	2.50

(ii).Value per sq.mtr. for non-residential occupancy.

(a).	(b).	(c).
Hotels, Bars & Restaurants, Banks, ATMs, Show rooms, Bank.		colleges,
		hostels, hospitals theatres, clubs, garrages and all other type of vacancy not covered under (a) & (b).
20.	10.	5.

The value of use factor/characteristic of the unit(s) of the lands & buildings for the purpose of Clause (c) ibid shall be as under:-

- (i). Residential = 2.50/-
- (ii). Non. Residential = 3.00/-

Rate of property tax on the net rateable value of the lands and buildings shall be as under:-

(i). For residential properties = 10% P.A. on the RV.
(ii). For non-residential properties = 10% P.A. on the RV.
(iii) For land properties = 10% P.A. on the RV.
(iii) For land properties = 10% P.A. on the RV.
Method for calculation of rateable value of unit of lands & buildings shall be as under:(i). In the case of land:

Area (in sq.mtrs) of a unit of land multiplied by value of relevant factors of unit area method as mentioned above vide bye-laws 22 to 26. The figure that will so come out, ninety percent thereof shall be the net rateable value of unit of land and property tax shall be charged on that net rateable value at the prevailing rate.

26.Use factor/characteri stic and its value.

27. Method of calculation of annual rateable value.

28.Rate of property tax on the rateable value of the unit of lands and buildings

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P-10

(ii). In case of unit of building:

Plinth area(in sq.mtrs) of a unit of building multiplied by value of relevant factors of unit area method. The figure that will so come out, ten per cent thereof shall be the gross ratable value. A deduction of ten per cent on gross ratable value of unit of building shall be allowed on account of repair and maintenance expenses necessary for the maintenance of the unit of building. Property tax on the net ratable will be charged at the prevailing rate.

If a person liable for payment of Property Tax does not pay the same with in a period of one month from for the issue of tax bill, a person shall be liable for payment of interest as per section (121) of the act beside initiation of recovery proceeding as per the provision & section of the Section124 of the act. Further, who so ever contravenes any of the clauses of these bye- laws shall be, in addition to the penalties as provided under the act, liable for disconnection of water, electricity and other civic amenities and the commissioner may request the competent authority to withdraw registration/ recognition, if any granted, in his/their favour.

> The scheme, regulation of bye-laws, if any heretofore relating to the mode of levy, calculation and assessment of property tax is hereby repealed. Anything done or any action taken under the said scheme, regulation or bye-laws if any shall be deemed to have been done or taken under the provisions of these bye-laws.

> > Sd/ Commissioner. M.C.Shimla

29. Penalty:-

30. Repeal and Savings.