

**KARNATAKA ORDINANCE NO. 4 OF 2003  
THE KARNATAKA MUNICIPAL CORPORATIONS  
(AMENDMENT) ORDINANCE, 2003**

**Arrangement of Sections**

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**KARNATAKA ORDINANCE NO. 4 OF 2003**  
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**(AMENDMENT) ORDINANCE, 2003**

*(Promulgated by the Governor of Karnataka in the  
fifty-fourth year of the Republic of India and First published  
in the Karnataka Gazette Extra-ordinary on the 16<sup>th</sup> day of  
June 2003)*

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 the circumstances exist which render it necessary for him 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, 2003.

(2) Sections 2, 3, 5, section 6 excluding clause (a) of sub-section (2) of section 108 sought to be substituted by sub-section (2) of this section and sections 9 and 23 shall be deemed to have come into force on Nineteenth day of November, 2001 and the remaining provisions shall come into force at once.

**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),-

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(Published in the Karnataka Gazette Part IV-A Extra Ordinary No. 632 dated 16-6-2003 in Notification No. ಸಂಖ್ಯೆಶಾಇ 11 ಶಾಸನ 2003)

(i) in clause (23), for the words "land or building", the words "vacant land or building" shall be substituted;

(ii) in clause (41A), for the words "value of any buildings or lands or both" the words "value of any building including any land occupied by it or vacant land or both" shall be substituted;

(iii) after clause (44), the following shall be inserted, namely:-

" (44A) "Vacant land" means, land not built upon."

**3. Amendment of section 103.-** In section 103 of the principal Act, in clause (b), in sub-clause (i), for the words "building or lands or both" the words "buildings or vacant land or both" shall be substituted.

**4. Omission of section 103A.-** Section 103A of the principal Act shall be omitted.

**5. Amendment of section 106.-** In section 106 of the principal Act, in sub-section (1), the proviso and the explanation shall be omitted.

**6. Amendment of section 108.-** In section 108 of the principal Act,-

(1) in sub-section (1), for the words "buildings or lands or both" the words "buildings or vacant lands or both" shall be substituted;

(2) for sub-section (2), the following shall be substituted, namely:-

"(2) The property tax shall be levied in case of,-

(a) commercial building at such percentage not being less than 0.5 per cent (rupees five per thousand) and not more than one and half percent of taxable capital value of the building;

(b) residential building and buildings other than commercial building, at such percentage not being less than 0.3 per cent (rupees three per thousand) and not more than 0.6 per cent (rupees six per thousand) of taxable capital value of the building;

(c) vacant land

(i) measuring not above one thousand Square meters, at not less than 0.1 per cent (rupees one hundred per lakh) and not more than 0.2 per cent (rupees two hundred per lakh) of taxable capital value of land,

(ii) measuring above one thousand square meters but not above four thousand square meters, at not less than 0.025 per cent (rupees twenty five per lakh) and not more than 0.05 per cent (rupees fifty per lakh) of taxable capital value of land,

(iii) measuring above four thousand square meters, at not less than 0.01 per cent (rupees ten per lakh) and not more than 0.02 per cent (rupees twenty per lakh) of taxable capital value of land

(3) in sub-section (3),-

(i) for the words "lands or both" the words "vacant lands or both" shall be substituted;

(ii) for the word "land" wherever it occurs the words "vacant land" shall be substituted;

(iii) explanation shall be omitted.

(iv) after the proviso, the following proviso shall be inserted, namely:-

"Provided further that vacant land to a maximum of 50 Square meters around the residential buildings constructed on

sites measuring upto 225 Square meters may not be subject to property tax".

**7. Amendment of section 109.-** In section 109 of the principal Act,-

(1) in sub-section (1),-

- (i) for the words "together with its land", the words "together with the land occupied by it" shall be substituted;
- (ii) for the words "estimated market value of the land notified by the Government" the words "market value guidelines of properties published" shall be substituted;
- (iii) for the words, letter and figures "the estimated cost of erecting the building minus depreciation at the time of assessment, determined as far as may be based on the method adopted by the Public Works Department, as specified in Schedule III", the words, figure and letter "assessed having regard to the market value guidelines of properties published under section 45B of the Karnataka Stamp Act, 1957 minus depreciation at the time of assessment as may be prescribed" shall be substituted.

(2) in sub-section (2) for the words "estimated market value of the land notified by the Government", the words "market value guidelines of properties published" shall be substituted.

**8. Amendment of section 109A.-** In section 109A of the principal Act for the words "any building or part of a building" the words "any residential building or part of a residential building" shall be substituted.

**9. Amendment of section 110.-** In section 110 of the principal Act,- in sub-section (1),-

- (i) in clause (k), for the words "the City of Mysore Improvement Trust Board," the words and figures "any Urban Development Authority constituted under the Karnataka Urban Development Authorities Act, 1987" shall be substituted;
- (ii) in the provisos, for the word "land" the words "vacant land" shall be substituted.

**10. Amendment of section 112.-** In section 112 of the principal Act, after sub-section (3), the following shall be inserted, namely:-

"(4) If default is made in making payment in accordance with sub-section (3), the person liable to pay the tax, shall pay a penalty at the rate of two per cent per month of the amount of tax remaining unpaid after the period specified in sub-section (3)."

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

(1) in sub-section (4), after the words figure and brackets "under sub-section (1)" the words figure and brackets "or fails to pay in advance full amount of property tax payable by him as required under sub-section (2)" shall be inserted.

(2) in sub-section (5),-

(i) for clause (a), the following shall be substituted, namely:-

"(a) at the rate of two per cent per month of the amount of property tax assessed and due in case of failure to pay the property tax due and to submit a return"

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

"(c) one hundred rupees in case of failure to submit a return after payment of property tax in full"

(3) in sub-section (8), for the words "building or land" the words "building or vacant land" shall be substituted.

**12. Omission of section 148.-** Section 148 of the principal Act shall be omitted.

**13. Amendment of section 176.-** In section 176 of the principal Act,-

(1) in sub-section (1),-

(i) the words "the value of which does not exceed two thousand rupees in each instance," shall be omitted;

(ii) for the words "twelve months" the words "two years" shall be substituted;

(2) in sub-section (2), the words "the value of which does not exceed five thousand rupees in each instance," shall be omitted.

**14. Amendment of section 178A.-** In section 178A of the principal Act, in sub-section (1), for the words "Divisional Commissioner of the concerned revenue division", the words "Deputy Commissioner of the concerned district" shall be substituted.

**15. Amendment of section 183.-** In section 183 of the principal Act,-

(1) in sub-section (1), for the words "exceeding ten thousand rupees" the words "exceeding such amount as may be notified by the Government from time to time" shall be substituted;

(2) for sub-section (2), the following shall be substituted, namely:-

"(2) In respect of the tenders made in pursuance of the notice given under sub-section (1), the Commissioner may accept or reject any tender in accordance with the provisions



of the Karnataka Transparency in Public Procurements Act 1999 (Karnataka Act 29 of 2000)."

**16. Amendment of section 346.-** In section 346 of the principal Act, in sub-section (1), for the words "every year" the words "every fifth year" shall be substituted.

**17. Amendment of section 348.-** In section 348 of the principal Act,-

- (i) in the explanation to sub-section (1), for the words, brackets and figures "the Motor Vehicles Act, 1939 (Central Act IV of 1939)" the words, figures and brackets "the Motor Vehicles Act, 1988 (Central Act 57 of 1988)" shall be substituted;
- (ii) in sub-section (3), for the words "three years" the words "five years" shall be substituted.

**18. Amendment of section 351.-** In section 351 of the principal Act, in sub-section (6), for the words "end of the year" the words "end of the fifth year" shall be substituted.

**<sup>1</sup>[19. Amendment of section 353.-**

- (1) in sub-section (6), for the words "end of the year" the words "end of the fifth year" shall be substituted;
- (2) in sub-section (7), for the words "before the commencement of the year for which renewal is sought", the words "before the expiry of the period of licence" shall be substituted.

**20. Amendment of section 373.-** In section 373 of the principal Act,-

In section 353 of the principal Act, in sub-section (6), for the words "end of the year" the words "end of the fifth year" shall be substituted.]<sup>1</sup>

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1. Substituted vide corrigendum No. DPAL 11 SHASANA 2003 dated 23.6.2003 published in the Karnataka Gazette Part IV-A extra-ordinary No. 670 dated 23.6.2003

**21. Amendment of section 381.-** In section 381 of the principal Act, in sub-section (3), for the words "end of the year" the words "end of the fifth year" shall be substituted.

**22. Amendment of section 443.-** In section 443 of the principal Act, in sub-section (2),-

(1) in clause (a), after the proviso, the following proviso shall be inserted, namely:-

"Provided further that notwithstanding anything in this Act, fee may be paid in advance in a lump sum for a period of five years by the applicant for license, registration or permission or at his choice for each year from the commencement of first year of such period";

(2) in clause (b), for the words "three years" the words "five years" shall be substituted.

**23. Substitution of expression building or land or both etc.-** For the expression "building or land or both", "building or land" and "building and land", which occur in any other place in the principal Act, the words "building or vacant land or both", "building or vacant land" and "building and vacant land" shall respectively be substituted.

**24. Validation of assessment.-** Anything done or any action taken or purporting to have done or taken (including any notices or orders issued and all proceedings held for the levy, assessment, reassessment, revision of assessment and collection of tax or amount purported to have been collected by way of tax) in relation to such levy, assessment or collection under the provisions of the principal Act before the publication of this Ordinance shall be deemed to be valid and effective as if such levy, assessment or collection or action or thing had been made taken or done under the principal Act as amended by this Ordinance and accordingly,-

(a) all acts, proceedings or things done by any Authority in connection with the levy, assessment or collection of such tax shall, for all

purposes be deemed to be and to have been always been made done or taken in accordance with the law;

- (b) no suit or proceedings shall be maintained or continued in any court or tribunal or before any authority for the refund of any such tax; and
- (c) no court shall enforce any decree or order directing the refund of any such tax.

**T. N. CHATURVEDI**  
**GOVERNOR OF KARNATAKA**

By Order and in the name of the  
Governor of Karnataka

**M.R. HEGDE**  
Secretary to Government,  
Department of Parliamentary Affairs  
and Legislation.