

**L. A. BILL No. XX OF 2021.**

*A BILL*

*further to amend the Mumbai Municipal Corporation Act,  
the Maharashtra Municipal Corporations Act and the Maharashtra  
5 Municipal Councils, Nagar Panchayats and Industrial  
Townships Act, 1965.*

WHEREAS both Houses of the State Legislature were not in session;

AND WHEREAS the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Mumbai Municipal Corporation Act, the Maharashtra Municipal Corporations Act and the Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships Act, 1965, for the purposes hereinafter appearing ; and therefore, promulgated the Mumbai Municipal Corporation, Maharashtra Municipal Corporations and Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships (Amendment) Ordinance, 2021 on the 1st October 2021 ;

III of  
1888.  
LIX of  
1949.  
Mah. XL  
of 1965.  
Mah.  
Ord. VI of  
2021.

AND WHEREAS it is expedient to replace the said Ordinance, by an Act of the State Legislature ; it is hereby enacted in the Seventy-second Year of the Republic of India as follows :—

## CHAPTER I

### PRELIMINARY.

- Short title and commencement. **1.** (1) This Act may be called the Mumbai Municipal Corporation, Maharashtra Municipal Corporations and Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships (Amendment) Act, 2021.
- (2) It shall be deemed to have come into force on the 1st October 2021.

## CHAPTER II

### AMENDMENT TO THE MUMBAI MUNICIPAL CORPORATION ACT. 20

- Amendment of section 5A of III of 1888. **2.** In section 5A of the Mumbai Municipal Corporation Act, in sub-section (4), for clause (a), the following clause shall be substituted, namely :—

“(a) The seats to be reserved for the persons belonging to the category of Backward Class of citizens shall be upto 27 per cent. of the total number of seats to be filled in by direct election in a Corporation and the total reservation shall not be more than 50 per cent. of the total seats in the Corporation ;”.

## CHAPTER III 30

### AMENDMENT TO THE MAHARASHTRA MUNICIPAL CORPORATIONS ACT.

- Amendment of section 5A of LIX of 1949. **3.** In section 5A of the Maharashtra Municipal Corporations Act, in sub-section (1), for clause (c), the following clause shall be substituted, namely :—

“(c) the seats to be reserved for the persons belonging to the category of Backward Class of citizens shall be upto 27 per cent. of the total number of seats to be filled in by direct election in a Corporation and the total reservation shall not be more than 50 per cent of the total seats in the Corporation and such seats shall be allotted by rotation to different wards in a Corporation :

Provided that, one-half of the total number of seats so reserved shall be reserved for women belonging to the category of Backward Class of citizens;”.

#### CHAPTER IV

##### 5 AMENDMENT TO THE MAHARASHTRA MUNICIPAL COUNCILS, *NAGAR PANCHAYATS* AND INDUSTRIAL TOWNSHIPS ACT, 1965.

Mah. XL of 1965. **4.** In section 9 of the Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships Act, 1965, in sub-section (2), for clause (d), the following clause shall be substituted, namely :— Amendment of section 9 of Mah. XL of 1965.

10 “(d) the seats to be reserved for the persons belonging to the category of Backward Class of citizens shall be upto 27 per cent. of the total number of seats to be filled in by direct election in a Municipal Council and the total reservation shall not be more than 50 per cent. of the total seats in the Municipal Council :

15 Provided that, one-half of the total number of seats so reserved shall be reserved for women belonging to the category of Backward Class of citizens.”.

#### CHAPTER V

##### MISCELLANEOUS

Mah. 20 Ord. VI of 2021. **5.** (1) The Mumbai Municipal Corporation, Maharashtra Municipal Corporations and Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships (Amendment) Ordinance, 2021, is hereby repealed. Repeal of Mah. Ord. VI of 2021 and saving.

25 (2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the corresponding provisions of the Mumbai Municipal Corporation Act, the Maharashtra Municipal Corporations Act and the Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships Act, 1965, as amended by the said Ordinance, shall be deemed to have been done, taken or, as the case may be, issued under the corresponding provisions of the relevant Acts, as amended by this Act.

III of 1888.  
LIX of 1949.  
Mah. XL of 1965.30



## STATEMENT OF OBJECTS AND REASONS

Section 5A(4)(a) of the Mumbai Municipal Corporation Act (III of 1888), section 5A(1)(c) of the Maharashtra Municipal Corporations Act (LIX of 1949) and section 9(2)(d) of the Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships Act, 1965 (Mah. XL of 1965), provide for reservation of seats in Corporations and Municipal Councils, respectively, for persons belonging to the category of Backward Class of citizens. The said Acts provided for reservation of 27 per cent. for Backward Class of citizens of the total number of seats to be filled in by direct election in the Corporations and Municipal Councils.

2. The notifications dated the 27th July 2018 and the 14th February 2020 and other notifications were issued by the State Election Commission for providing reservation for the persons belonging to the Scheduled Castes, Scheduled Tribes and the category of Backward Class of citizens and accordingly, the State Election Commission has conducted elections of the *Zilla Parishads* and *Panchayat Samitis*.

3. The provisions of section 12(2)(c) of the Maharashtra *Zilla Parishads* and *Panchayat Samitis* Act, 1961 (Mah. V of 1962) and the notifications dated the 27th July 2018 and the 14th February 2020 issued by the State Election Commission providing reservation exceeding 50 per cent. in respect of *Zilla Parishads* and *Panchayat Samitis* of Districts Washim, Akola, Nagpur and Bhandara were challenged before the Supreme Court in *Vikas Kishanrao Gawali V/s. State of Maharashtra and Ors.* [Writ Petition (Civil) No. 980 of 2019].

The Supreme Court, *vide* its order dated the 4th March 2021, has quashed and set aside the said notifications to the extent that they provide for reservation of seats for OBCs being void and *non est* in law and also directed that the vacancy of seats caused on account of the declaration be forthwith filled up by the State Election Commission with general/open category candidates for the remainder term of the concerned local bodies, by issuing notification in that regard. The Supreme Court has also held that, the reservation in favour of Other Backward Class in concerned local bodies can be notified to the extent that it does not exceed 50 per cent of the total seats reserved in favour of SCs/STs/OBCs taken together.

4. In Paragraph 12 of the said judgment, the Supreme Court has held that, the following triple test/conditions required to be complied by the State before reserving seats in the local bodies for OBCs:— (1) To set up dedicated Commission to conduct contemporaneous rigorous inquiry into nature and implications of the backwardness *qua* local bodies, within the State, (2) to specify the proportion of reservation required to be provisioned local body wise in light of recommendations of the Commission, so as not to fall foul of overbreadth; and (3) in any case such reservation shall not exceed aggregate of 50 per cent of the total seats reserved in favour of SCs/STs/OBCs taken together.

In pursuant of the said judgment, the Government has assigned the said work to the Maharashtra State Commission for Backward Classes constituted under the Maharashtra State Commission for Backward Classes Act, 2005 (Mah. XXXIV of 2006). The Commission will require time to conduct the contemporaneous rigorous inquiry for the said purpose.

5. In the said judgment in Paragraph 28, the Supreme Court has held that, the challenge to the validity of section 12(2)(c) of the 1961 Act is negated. Instead, that provision is being read down to mean that reservation in favour of OBCs in the concerned local bodies can be notified to the extent that it does not exceed aggregate 50 per cent. of the total seats reserved in

favour of SCs/STs/OBCs taken together. In other words, the expression “shall be” preceding 27 per cent. occurring in section 12(2)(c), be construed as “may be” including to mean that reservation for OBCs may be upto 27 per cent. but subject to the outer limit of 50 per cent. aggregate in favour of SCs/STs/OBCs taken together, as enunciated by the Constitution Bench of this Court.

6. In view of the said judgment, the OBCs has no reservation in local bodies. To give representation to OBCs in local bodies, the Government had decided, as an intermediate measure, to make provision for reservation upto 27 per cent. of seats to the persons belonging to the category of Backward Class of citizens in the Corporations and Municipal Councils and to provide that, the total reservation shall not be more than 50 per cent. of the total seats in the local bodies. It was, therefore, proposed to make suitable amendments in section 5A(4)(a) of the Mumbai Municipal Corporation Act, section 5A(1)(c) of the Maharashtra Municipal Corporations Act and section 9(2)(d) of the Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships Act, 1965.

7. As both Houses of the State Legislature were not in session and the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Mumbai Municipal Corporation Act, the Maharashtra Municipal Corporations Act and the Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships Act, 1965, for the purposes aforesaid, the Mumbai Municipal Corporation, Maharashtra Municipal Corporations and Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships (Amendment) Ordinance, 2021 (Mah. Ord. VI of 2021), was promulgated by the Governor of Maharashtra on the 1st October 2021.

8. The Bill is intended to replace the said Ordinance by an Act of the State Legislature.

Mumbai,  
Dated the 3rd November, 2021.

EKNATH SHINDE,  
Minister for Urban Development.

*ANNEXURE TO THE L.A. BILL No. XX OF 2021—THE MUMBAI MUNICIPAL CORPORATION, THE MAHARASHTRA MUNICIPAL CORPORATIONS AND THE MAHARASHTRA MUNICIPAL COUNCILS, NAGAR PANCHAYATS AND INDUSTRIAL TOWNSHIPS (AMENDMENT) BILL, 2021.*

*(Extracts from the Mumbai Municipal Corporation Act, 1888.)*

**(Mah. III of 1888.)**

<b>1. to 5.</b>	*	*	*	*	
<b>5A. (1) to (3)</b>	*	*	*	*	Reservation of Seats.
<i>(4) (a) Twenty-seven per cent. seats out of the total number of seats to be filled in by direct election shall be reserved for the members belonging to the Backward Class of citizens,</i>					
<i>(b)</i>	*	*	*	*	
<i>(5) to (7)</i>	*	*	*	*	
<b>5B.</b>	*	*	*	*	
<b>6. to 528.</b>	*	*	*	*	
<b>SCHEDULES.</b>	*	*	*	*	

*(Extracts from the Maharashtra Municipal Corporation Act, 1949.)*

**(Mah. LIX of 1949.)**

<b>1. to 5.</b>	*	*	*	*	
<b>5A. (1)(a) and (b)</b>	*	*	*	*	Reservation of Seats.
<i>(c) the number of seats to be reserved for persons belonging to the category of Backward Class of citizens shall be twenty-seven per cent. of the total number of seats to be filled in by election in a Corporation and such seats shall be allotted by rotation to different electoral wards in a Corporation,</i>					
<i>Provided that, one-half of the total number of seats so reserved shall be reserved for women belonging to the category of Backward Class of citizens.</i>					
<i>(d) and (e)</i>	*	*	*	*	
<i>(2)</i>	*	*	*	*	
<b>5B.</b>	*	*	*	*	
<b>6. to 493.</b>	*	*	*	*	

*(Extracts from the Maharashtra Municipal Councils, Nagar  
Panchayats and Industrial Townships Act, 1965.)*

**( Mah. XL of 1965.)**

Composition of Councils.	<b>1. to 8.</b>	*	*	*	*
	<b>9. (1)</b>	*	*	*	*
	(2) The Director shall from time to time by an order published in the <i>Official Gazette</i> fix for each municipal area—				
	(a) to (c)	*	*	*	*
	(d) the number of seats to be reserved for the Backward Class of Citizens in the case of municipal area of each Class of Council shall be Twenty-seven per cent. of the total number of seats to be filled in by direct election for the purpose of any general election held after the commencement of the Maharashtra Municipal Corporation and Municipal Councils (Amendment) Act, 1993.				
	Provided that, while making such reservation one half of the total number of seats so reserved shall be reserved for women belonging to the Backward Class of Citizens.				
	(3)	*	*	*	*
	(4)	*	*	*	*
	<b>10. to 351.</b>	*	*	*	*
	<b>SCHEDULES.</b>	*	*	*	*



**MAHARASHTRA LEGISLATURE  
SECRETARIAT**

**[L. A. BILL No. XX OF 2021.]**

**[A Bill further to amend the Mumbai  
Municipal Corporation Act, The  
Maharashtra Municipal Corporations  
Act and the Maharashtra Municipal  
Councils, *Nagar Panchayats* and  
Industrial Townships Act, 1965.]**

[SHRI EKNATH SHINDE,  
Minister for Urban Development.]

RAJENDRA BHAGWAT,  
Principal Secretary,  
Maharashtra Legislative Assembly.