

L. A. BILL No. LXII OF 2025.

A BILL

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

5 **(As passed by the Legislative Assembly on the 1st July 2025.)**

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

Mah. XL
of 1965. 10 AND WHEREAS the Governor of Maharashtra was satisfied that
Mah.
Ord. II circumstances existed which rendered it necessary for him to take immediate
of 2025. action further to amend the Maharashtra Municipal Councils, *Nagar Panchayats*
and Industrial Townships Act, 1965, for the purposes hereinafter appearing;
and, therefore, promulgated the Maharashtra Municipal Councils, *Nagar*
Panchayats and Industrial Townships (Second Amendment) Ordinance, 2025,
on the 30th April 2025;

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

Short title and commencement. **1.** (1) This Act may be called the Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships (Sixth Amendment) Act, 2025. 5

(2) It shall be deemed to have come into force on the 30th April 2025.

Amendment of section 150A of Mah. XL of 1965. **2.** In section 150A of the Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships Act, 1965 (hereinafter referred to as “the principal Act”), in sub-section (1),— Mah. XL of 1965.

(1) before the existing proviso, the following proviso shall be inserted, 10
namely :—

“Provided that, the Council may, with the approval of the State Government, grant rebate in penalty to any person or class of persons primarily liable for payment of property taxes :”;

(2) in the existing proviso, for the words “Provided that,” the words 15
“Provided further that, ” shall be substituted.

Repeal of Mah. Ord. II of 2025 and saving. **3.** (1) The Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships (Second Amendment) Ordinance, 2025, is hereby repealed. Mah. Ord. II of 2025.

(2) Notwithstanding such repeal, anything done or any action taken (including any notification or order issued) under the corresponding provisions 20
of the principal Act, 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 principal Act, as amended by this Act.

STATEMENT OF OBJECTS AND REASONS

The property taxes are levied by the Municipal Councils and *Nagar Panchayats* on lands and buildings or both situated within their areas as per the provisions of the Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships Act, 1965 (Mah. XL of 1965).

2. It was noticed that the property taxes levied by the Municipal Councils and *Nagar Panchayats* are not paid by the property owners due to the fact that, properties are not in use, financial difficulties of the property owners or other reasons. Section 150A of the said Act provides that, if a person liable to pay property taxes does not pay the same within specified time limit, then he shall be liable to pay by way of penalty in addition to the amount of such taxes or part thereof which has remained unpaid, a sum equal to two per cent. of such tax for each month or part thereof after the last date. Over the period of time due to non-payment of taxes within specified time, the amount of the said penalty becomes more than the amount of the property taxes and the same continues to increase. Since the amount of the penalty is more than the amount of the property taxes or the amount of the penalty continues to increase, many property owners do not pay the said arrears of taxes. This adversely affects the tax collection of the Municipal Council or *Nagar Panchayat*.

3. Timely recovery of taxes is necessary for providing amenities such as water supply, sanitation, street lighting, roads, etc. To encourage the property owners to pay arrears of property taxes, the issue to exempt penalty was under consideration. However, at present, there was no provision to grant exemption of penalty on property taxes in the said Act. It was, therefore, considered necessary to amend section 150A of the said Act, to provide that the Council may, with the approval of the State Government, grant rebate in penalty to any person or class of persons primarily liable for payment of property taxes.

4. 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 Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships Act, 1965, for the purposes aforesaid, the Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships (Second Amendment) Ordinance, 2025 (Mah. Ord. II of 2025), was promulgated by the Governor of Maharashtra on the 30th April 2025.

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

Mumbai,

Dated the 12th June, 2025.

EKNATH SHINDE,

Deputy Chief Minister
(Urban Development).

**ANNEXURE TO THE L.A. BILL No. LXII OF 2025.— THE MAHARASHTRA
MUNICIPAL COUNCILS, NAGAR PANCHAYATS AND INDUSTRIAL
TOWNSHIPS (SIXTH AMENDMENT) BILL, 2025**

(Extracts from the Maharashtra Municipal Councils, Nagar Panchayats and
Industrial Township Act, 1965)

(Mah. XL of 1965)

1. to 150.

**

**

**

**

150A (1) The amount of first half-yearly tax as specified in the bill which has been served as aforesaid shall be paid within three months from the date of service of the bill and for the second half-yearly tax as specified in the bill shall be paid before the 31st December of each year ; and if a person liable to pay tax does not pay the same as required as aforesaid, then he shall be liable to pay by way of penalty in addition to the amount of such tax or part thereof which has remained unpaid, a sum equal to two per cent. of such tax for each month or part thereof after the last date by which he should have paid such tax and shall continue to be liable to pay such penalty until the full amount as per the bill is paid:

Levy of
penalty
on unpaid
amount of
bill.

Provided that, if any property tax for which a bill is served under this Act before the date of commencement of the Bombay Provincial Municipal Corporations, the City of Nagpur Corporation, the Maharashtra Municipal Councils, Nagar Panchayats and Industrial Townships, the Maharashtra (Urban Areas) Protection and Preservation of Trees and the Maharashtra Tax on Buildings (with larger Residential Premises) (Re-enacted) (Amendment) Act, 2009 (Mah. X of 2010), (hereinafter in this section referred to as —the Amendment Act of 2009) has remained unpaid in full or in part, a person who has not paid such tax shall be liable to pay penalty as provided under this section, on and from the date of commencement of the said Amendment Act of 2009.

(2)

**

**

**

**

150B. and 150C.

**

**

**

**

152. to 351.

**

**

**

**

SCHEDULES.

**

**

**

**

**MAHARASHTRA LEGISLATURE
SECRETARIAT**

[L. A. BILL No. LXII OF 2025.]

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

**[SHRI EKNATH SHINDE,
Deputy Chief Minister (Urban Development).]**

**[As passed by the Legislative Assembly
on the 1st July 2025.]**

**JITENDRA BHOLE,
Secretary - 1,
Maharashtra Legislative Assembly.**