



# महाराष्ट्र शासन राजपत्र

## असाधारण भाग आठ

वर्ष ४, अंक २८(२) | शनिवार, ऑगस्ट ४, २०१२/श्रावण १३, शके १९३४ | पृष्ठे ११, किंमत : रुपये १८.००

असाधारण क्रमांक ४४

प्राधिकृत प्रकाशन

महाराष्ट्र विधानमंडळाचे अधिनियम व राज्यपालांनी प्रख्यापित केलेले अध्यादेश व केलेले विनियम आणि विधी व न्याय विभागाकडून आलेली विधेयके (इंग्रजी अनुवाद).

In pursuance of clause (3) of article 348 of the Constitution of India, the following translation in English of the Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Township (Amendment) Act, 2011 (Mah. Act No. XV of 2012), is hereby published under the authority of the Governor.

By order and in the name of the Governor of Maharashtra,

H. B. PATEL,  
Secretary to Government,  
Law and Judiciary Department.

### MAHARASHTRA ACT No. XV OF 2012.

(First published, after having received the assent of the Governor in the "Maharashtra Government Gazette", on the 4th August 2012).

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

Mah. XL of 1965. WHEREAS it is expedient further to amend the Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships Act, 1965, for the purposes hereinafter appearing; it is hereby enacted in the Sixty-second Year of the Republic of India as follows :—

1. This Act may be called the Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships (Amendment) Act, 2011. Short title.

Amendment of section 49 of Mah. XL of 1965. 2. In section 49 of the Maharashtra Municipal Councils, *Nagar Panchayats* and Industrial Townships Act, 1965 (hereinafter referred to as "the principal Act") in sub-section (3), in clause (w),— Mah. XL of 1965.

(a) for the words, letters and figures "if the total expenditure during the year does not exceed Rs.30,000, Rs.20,000 and Rs.10,000 in the case of A class, B class and C class Councils, respectively" the words "within such limits of expenditure as may be prescribed" shall be substituted;

(b) the proviso shall be deleted.

Amendment of section 50 of Mah. XL of 1965. 3. In section 50 of the principal Act, sub-sections (5), (6) and (9) shall be deleted.

Amendment of section 51 of Mah. XL of 1965. 4. In section 51 of the principal Act, after sub-section (9), the following sub-section shall be added, namely:—

"(10) The subsequent election to the post of the President after expiry of the first term of the two and a half years of the President elected under the provisions of sub-section (2), shall be held within a period of eight days prior to the expiry of the said term of the earlier President :

Provided that, the newly elected President shall take charge on the last day of the term of the outgoing President or next day thereafter."

Amendment of section 57 of Mah. XL of 1965. 5. In section 57 of the principal Act, in sub-section (2), for the portion beginning with the words "to the Collector or" and ending with the words "in this behalf." the following shall be substituted, namely:—

"to the Vice-President, or if the post of Vice-President is also vacant or he cannot perform his duties as Vice-President, for whatever reason, then to the Collector or other suitable officer appointed by the Collector in this behalf."

Amendment of section 61 of Mah. XL of 1965. 6. In section 61 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) A Council shall pay to each councillor including the President a meeting allowance for attending the meetings of the Council, Standing Committee, Subject Committee or Special Committee at such rate per meeting as may be prescribed."

Amendment of section 62 of Mah. XL of 1965. 7. In section 62 of the principal Act, in clause (ii), for the word "Education" the words "Education, Sports and Cultural Affairs" shall be substituted.

Amendment of section 63 of Mah. XL of 1965. 8. In section 63 of the principal Act, the existing sub-section (2A) shall be re-numbered as clause (i) thereof; and after clause (i) as so re-numbered, the following clause shall be added, namely:—

"(i) Notwithstanding anything contained in this Act, for regulating the procedure at meetings (including the quorum thereat), the Collector or such officer may, for reasons which in his opinion are sufficient,

refuse to adjourn the meeting convened as per the provisions of sub-section (2), after it was once cancelled or adjourned for want of quorum.”.

9. For section 72 of the principal Act, the following shall be substituted, namely :—

Substitution of section 72 of Mah. XL of 1965.

“72. The powers of financial sanction of the Standing Committees and the Subjects Committees of different classes of municipal councils shall not exceed such limits as may be prescribed :

Limits of powers of Committees and Council in respect of financial sanction.

Provided that, the Standing Committee or the Council shall not sanction any project or scheme involving construction such as a road, bridge, building or water supply or drainage scheme costing over such amount as may be prescribed, unless prior technical sanction therefor is obtained from such officer of the State Engineering Service, as the State Government may designate; or where the Council has appointed a Municipal Engineer or a Water Works Engineer referred to in sub-section (2) of section 75 and such Engineer is recognized by the State Government in this behalf, unless prior technical approval therefor is obtained from such Engineer.”.

10. In section 75 of the principal Act,—

Amendment of section 75 of Mah. XL of 1965.

(a) after sub-section (1), the following sub-sections shall be inserted, namely :—

“(1A) The State Government may create a post of Additional Chief Officer in A-Class Municipal Councils and appoint a suitable person on that post, who shall, subject to the control of the Chief Officer, exercise all or any of the powers and perform all or any of the duties and functions of the Chief Officer, as may be specified by the Collector.

(1B) Every person so appointed as an Additional Chief Officer shall be subject to the same liabilities, restrictions and terms and conditions of service which the Chief Officer is subjected to as per the provisions of this Act.”;

(b) in sub-section (3), for the words, figures and brackets; “sub-sections (1) and (2)”, the words, figures, brackets and letter “sub-sections (1), (1A) and (2)” shall be substituted.

11. In section 75A of the principal Act, in sub-section (1), in clause (a), in sub-clause (i) for the words “Chief Officers” the words “Chief Officers and Additional Chief Officers” shall be substituted .

Amendment of section 75A of Mah. XL of 1965.

12. For section 77A of the principal Act, the following shall be substituted, namely :—

Substitution of section 77A of Mah. XL of 1965.

“77A. The Council shall grant to its Chief Officer sumptuary allowance at such rates as may be prescribed.”.

Sumptuary allowance to Chief Officer.

Amendment  
of section 81  
of Mah. XL of  
1965.

13. In section 81 of the principal Act, in sub-section (14), for the portion beginning with the words "Notwithstanding anything contained" and ending with the words "for such adjourned meeting" the following shall be substituted, namely:—

"Notwithstanding anything contained in clause (9), except for the meeting adjourned while having quorum, no quorum shall be necessary for an adjourned meeting."

Insertion of  
section 83A in  
Mah. XL of  
1965.

14. After section 83 of the principal Act, the following section shall be inserted, namely:—

Deemed  
sanction.

"83A. (1) Where, any proposal of the Chief Officer requires previous sanction or approval of the Council, the Council shall consider and dispose of any such proposal of the Chief Officer, within sixty days reckoned from the date of the meeting of the Council held immediately after the proposal is received by the President, whether the item pertaining to such proposal is taken on the agenda of the meeting or not.

(2) If the Council fails to take decision within the specified period referred to in sub-section (1), then the Chief Officer shall submit such proposal to the Collector for sanction or approval. The decision given by the Collector on such proposal shall be deemed to have been given by the Council, and report to that effect shall be made by the Chief Officer to the Council:

Provided that, any such deemed sanction or approval shall be restricted to the extent the proposal conforms to the existing provisions of this Act or any other law, for the time being in force."

Amendment  
of section 90  
of Mah. XL  
of 1965.

15. In section 90 of the principal Act, in sub-section (1), in the proviso in clause (b) for the words and figures "funds created under sections 50 and 91" the words and figures "fund created under section 91" shall be substituted.

Insertion of  
sections 90A  
to 90J in  
Mah. XL of  
1965.

16. After section 90 of the principal Act, the following sections shall be inserted, namely:—

Establishment  
of  
Consolidated  
Water Supply  
and Sewage  
Disposal  
Project Fund.

"90A. (1) The Council shall establish and set apart for the purposes of budget estimate 'B', a separate fund to be called "the Consolidated Water Supply and Sewage Disposal Project Fund" (hereinafter referred to as "Project Fund") for the purpose of carrying into effect the provisions of Chapters XIII and XIV.

(2) The following moneys shall be credited to the Project Fund, namely:—

(a) any sums borrowed in exercise of the powers conferred by or under this Act for the purposes of Chapters XIII and XIV;

(b) any grants received from the Government for the purposes of Chapters XIII and XIV;

(c) all monies received by or on behalf of the Council under clause (h) or (i) of sub-section (2) of section 10<sup>r</sup>.

(3) The Project Fund so established shall be applied for,—

(a) the expenditure on capital works for the purposes of Chapters XIII and XIV;

(b) the repayment of the loans raised for such capital works.

(4) Any money of the Project Fund, not used or not immediately to be used in accordance with sub-section (3), shall be invested by the Chief Officer, on behalf of the Council, with the sanction of the Standing Committee in any Nationalized Bank, in such manner as he deems fit and proper.

**90B.** (1) The Council shall establish and set apart a separate fund to be called "the Water and Sewage Fund".

Establishment  
of Water and  
Sewage Fund.

(2) The following moneys shall be credited to the Water and Sewage Fund, namely :—

(a) all moneys received by or on behalf of the Council under clauses (b) and (d) of sub-section (2) of section 105 and clauses (d), (e) and (f) of section 108 or any other money received for the purposes of Chapters XIII and XIV;

(b) such percentage of general revenues of last preceding year, for such number of years as the Council may decide on its own or as decided by the State Government at the time of sanctioning any Water Supply or Sewage Disposal Scheme or before giving any guarantee to any loan required by the Council to investigate, prepare plans and estimate and to execute the projected drinking water supply or sewage disposal scheme.

(3) All moneys payable to the credit of the Water and Sewage Fund shall be received by the Chief Officer on behalf of the Council and forthwith paid by him into the Nationalized Bank, approved by the Standing Committee from time to time in this behalf, to the credit of account, which shall be styled "the Account of the Water and Sewage Fund of -----Municipal Council":

Provided that, the Chief Officer may retain such balance in cash as may be necessary for the purposes of Chapters XIII and XIV.

(4) The moneys credited to the said Fund from time to time shall be applied only for payment of sums, charges and costs necessary for the purposes of carrying into effect the provisions of Chapters XIII and XIV.

(5) Surplus money at the credit of the said Fund which cannot immediately or at an early date be applied as provided in sub-section (4) may, from time to time, be deposited by the Chief Officer at interest in any Nationalized Bank approved by the Standing Committee or be invested in public securities.

(6) All such deposits and investments shall be made by the Chief Officer on behalf of the Council, with the sanction of the Standing Committee, and with the like sanction, the Chief Officer may at any time withdraw any deposits so made or dispose of any securities and re-deposit or re-invest the moneys so withdrawn or the proceeds of

the disposal of the securities; but no order for making any such deposit or investment or withdrawal or disposal shall have any validity, unless the same be in writing signed by two persons specified for signing cheques.

(7) The loss, if any, arising from any such deposit or investment shall be debited to the Water and Sewage Fund.

Powers of  
Council to  
borrow  
money.

**90C.** (1) The Council may, from time to time, borrow or re-borrow and take up at interest from the State Government or from any financial institution with the previous sanction of the State Government, by the issue of debentures or otherwise on the security of any immovable property vested in the Council or proposed to be acquired by it under this Act or of all the taxes or of any tax which it is authorised to levy for the purposes of this Act or of all or any of those securities, any sum necessary for the purpose of,—

(a) defraying any costs, charges or expenses, incurred or to be incurred by it, in the execution of this Act,

(b) discharging any loan contracted under this Act or any other loan or debt for the repayment of which the Council is liable,

(c) making good any deficit in budget estimate,

(d) generally, carrying out the purposes of this Act, including the advance of loans authorized thereunder :

Provided that,—

(i) no loan shall be raised for the execution of any work other than a permanent work, which expression shall include any work of which the cost should, in the opinion of the State Government, be spread over a term of years;

(ii) no loan shall be raised unless the State Government has approved the terms on and the method by which the loan is to be raised and repaid;

(iii) the period within which the loan is to be repaid shall in no case exceed sixty years and, where a loan is raised for the repayment of a previous loan, the period within which the subsequent loan is to be repaid shall not extend beyond the unexpired portion of the period fixed for the repayment of the original loan, unless the State Government so directs, and shall in no case extend beyond the period of sixty years from the date on which the original loan was raised.

(2) When any sum of money has been borrowed or re-borrowed under sub-section (1),—

(a) no portion thereof shall, without the previous sanction of the State Government, be applied to any purpose other than that for which it was borrowed; and

(b) no portion of any sum of money borrowed or re-borrowed for the execution of any work shall be applied to the payment of salaries

or allowances of any municipal officer or servant other than those who are exclusively employed upon the work for the construction of which the money was borrowed:

Provided that, such share of the cost on account of the salaries and allowances of municipal officers and servants employed in part upon the preparation of plans and estimates or the construction or supervision of or upon the maintenance of the account of such work as the Council may fix may be paid out of the sum so borrowed or re-borrowed.

**90D.** Every loan raised by the Council under section 90C shall be repaid within the time approved under proviso to sub-section (1) of the said section and by such of the following methods as may be approved under the said proviso, namely :—

When and how loan shall be repaid.

(a) by payment from a sinking fund established under section 90E in respect of the loan ;

(b) by equal payments of principal and interest ;

(c) by equal payments of principal ;

(d) in the case of a loan borrowed before the appointed day by annual drawings if such method was in operation for the repayment of such loan immediately before such day;

(e) from any sum borrowed for the purpose under clause (b) of sub-section (1) of section 90C; or

(f) partly from a sinking fund established under section 90E in respect of the loan and partly from money borrowed for the purpose under clause (b) of sub-section (1) of section 90C.

**90E.** (1) Whenever the repayment of a loan from a sinking fund has been sanctioned under the proviso to sub-section (1) of section 90C, the Council shall establish such a fund and shall pay into it, on such dates as may have been approved under the said proviso, such sum as will, with accumulations of compound interest, be sufficient after payment of all expenses to pay off the loan within the period approved :

Maintenance and application of sinking fund.

Provided that, if at any time, the sum standing to the credit of the sinking fund established for the repayment of any loan is of such amount that if allowed to accumulate at compound interest, it will be sufficient to repay the loan within the period approved, then with the permission of the State Government further payments into such fund may be discontinued.

(2) The Council may apply a sinking fund, or any part thereof, in or towards the discharge of the loan for which such fund was established and, until such loan or part is wholly discharged, shall not apply the same for any other purpose.

**90F.** (1) All money paid into a sinking fund shall within one month of the date on which the payment was due to be made under sub-section (1) of section 90E be invested in public securities.

Investment of sinking fund.

(2) All interest and other sums received in respect of any such investment shall be paid into the sinking fund and shall, within one month of receipt, be invested in the manner provided by sub-section (1).

(3) Money standing to the credit of two or more sinking funds may, at the discretion of the Council, be invested in a common fund, and it shall not be necessary for the Council to allocate the securities held in such investments among the several sinking funds.

(4) Any investment made under sub-section (1) may be varied from time to time or may be transferred from one sinking fund to another:

Provided that, the fund from which the transfer is made shall be reimbursed the value of such investment as on the date on which the transfer is made.

(5) During the year in which the loan for the repayment of which a sinking fund is established is due for repayment, the sum to be set apart as portion of the principal of such sinking fund and the sum received on account of interest on moneys forming part of such sinking fund may be retained by the Council in such form as it thinks fit.

Annual  
examination  
of sinking  
funds.

**90G.** (1) All sinking funds established or maintained under this Act shall be subject to annual examination by the Director, Local Fund Accounts Audit, who shall ascertain whether the cash and the value of the securities belonging thereto are actually equal to the amount which should be at the credit of such funds had investments been regularly made and had the rate of interest as originally estimated been obtained therefrom.

(2) The amount which should be at the credit of a sinking fund shall be calculated on the basis of the present value of all future payments required to be made to such fund under the provisions of this Act, on the assumption that all investments are regularly made and the rate of interest as originally estimated is obtained therefrom.

(3) The securities belonging to a sinking fund shall be valued for the purposes of this section at their current market value, except for any loan raised before the appointed day for which the Council is liable, which shall always be valued at par.

(4) The Council shall forthwith pay, into any sinking fund any amount which the Director, Local Fund Accounts Audit may certify to be deficient, unless the State Government specially sanctions a gradual readjustment.

(5) If the cash and the value of the securities at the credit of any sinking fund are in excess of the amount which should be at its credit, the Director, Local Fund Accounts Audit shall certify the amount of such excess sum and the Council may thereupon transfer the excess sum to the Municipal Fund.

(6) If any dispute arises as to the accuracy of any certificate made by the Director, Local Fund Accounts Audit, under sub-sections (4) and (5), the Council may, after making the payment or transfer, refer the matter to the State Government whose decision shall be final.

**90H.** In the case of all loans raised before the appointed day for which the Council is liable, the following provisions shall apply :—

Provisions for loans raised before appointed day.

(a) if when such loans were raised, the loans were made repayable from sinking funds, the Council shall pay into such funds such sums on such dates as may have been fixed when the loans were raised;

(b) all securities and cash held on the date immediately preceding the appointed day in sinking funds established for the repayment of such loans shall be held by the Council as part of the sinking funds established under clause (a);

(c) the provisions of section 90E shall apply to such sinking funds ;

(d) if when any such loans were raised, the loans were made repayable by equal payments of principal and interest or by equal payments of principal or by annual drawings, the Council shall make such payments or annual drawings on such dates and in such manner as may have been fixed when the loans were raised ;

(e) the provisions of section 90I shall apply to such loans.

**90I.** (1) If any money borrowed by the Council or any interest or costs due in respect thereof is or are not repaid according to the conditions of the loan, the State Government, if it has itself given the loan, may, and in other cases shall, on the application of the lender, attach the Municipal Fund or a portion of the Municipal Fund.

Attachment of Municipal Fund in default of repayment of loan.

(2) After such attachment, no person, except an officer appointed in this behalf by the State Government shall, in any way deal with the attached Fund or portion thereof, but such officer may do all acts in respect thereof which any municipal authority, officer or servant might have done if such attachment had not taken place and may apply the proceeds in satisfaction of the arrears and of all interest and cost due in respect thereof and of all expenses caused by the attachment and subsequent proceedings :

Provided that, no such attachment shall defeat or prejudice any debt for which the Fund or portion thereof attached was previously pledged in accordance with law, and all such prior charges shall be paid out of the proceeds of the Fund or portion thereof before any part of the proceeds is applied to the satisfaction of the liability in respect of which such attachment is made.

**90J.** (1) The Chief Officer shall, at the end of each year, prepare a statement showing,—

Annual statement to be prepared by Chief officer.

(a) the loans borrowed in previous years for which the Council is liable and which have not been completely repaid before the commencement of the year, with particulars of the amount

outstanding at the commencement of the year, the date of borrowing and the annual loan charges ;

(b) the loans borrowed by the Council in the year with particulars as to the amount and the date of borrowing and the annual loan charges ;

(c) in the case of every loan for which a sinking fund is maintained, the amount of accumulation in the sinking fund at the close of the year showing separately the amount paid to the credit of the fund in the year ;

(d) the loans repaid in the year, and in the case of the loans repaid in installments or by annual drawings, the amounts repaid in the year, and the balance due at the close of the year ;

(e) the particulars of securities in which the sinking funds have been invested or reserved therefor.

(2) Every such statement shall be laid before a meeting of the Council and shall be published in the *Official Gazette* and a copy of such statement shall be sent to the State Government and to the Accountant General, Maharashtra, Mumbai."

Amendment  
of section 93  
of Mah. XL  
of 1965,

17. In section 93 of the principal Act,—

(a) in sub-section (2),—

(1) in clause (c) for the letters, figures and word "Rs.7500, Rs.5000 and Rs.2500" the words "such amounts as may be prescribed." shall be substituted ;

(2) in clause (d), for the figures, words, brackets and letter "75 per cent. of the limits in clause (c) but not exceeding those limits" the figures, words, brackets and letter "75 per cent. of the limits prescribed under clause (c)" shall be substituted ;

(b) in sub-section (3), in the proviso, in clause (b), for the words "two thousand rupees" the words "such amounts as may be prescribed" shall be substituted ;

(c) in sub-section (6) for the words "ten thousand rupees" the words "such amounts as may be prescribed." shall be substituted.

Amendment  
of section 101  
of Mah. XL of  
1965.

18. In section 101 of the principal Act,—

(a) in sub-section (1), for clause (iii), the following clause shall be substituted, namely :—

" (iii) two estimates of the income and expenditure of the Council during the ensuing financial year and an estimate of the closing balance in the municipal fund at the end of the current year, as follows, namely :—

(a) an estimate 'A' of income and expenditure of the Council for the purposes of Chapters other than Chapters XIII and XIV ;

(b) an estimate 'B' of income and expenditure of the Council for the purposes of Chapters XIII and XIV, in which the Chief Officer shall,—

(i) propose with reference to the provisions of Chapter IX such rates and extent of such municipal taxes as he thinks fit for the purposes of Chapters XIII and XIV;

(ii) state the estimate of receipt of the aforesaid taxes or of any other receipts;

(iii) provide for payment as they fall due, of all sums and of all installments of principal and interest for which the Council may be liable under this Act in respect of matters falling under Chapters XIII and XIV;

(iv) provide for such expenditure, if any, as he considers necessary to be incurred by the Council in the next ensuing financial year for the purposes of Chapters XIII and XIV.”;

(b) in sub-section (5), in clause (b), for the words “ water supply reserve fund ” the words, figures and letters “the Consolidated Water Supply and Sewage Disposal Project Fund and the Water and Sewage Fund established under sections 90A, and 90B” shall be substituted.

19. In section 105 of the principal Act, in sub-section (2), after clause (g), the following clauses shall be added, namely :—

“ (h) Water benefit tax;

(i) Sewerage benefit tax;

(j) Street Tax.”

Amendment  
of section  
105 of  
Mah. XL of  
1965.

20. In section 316 of the principal Act, the words, brackets and figure “sub-section (1) of ” shall be deleted.

Amendment  
of section  
316 of  
Mah. XL of  
1965.