



सत्यमेव जयते

महाराष्ट्र शासन राजपत्र

असाधारण भाग आठ

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असाधारण क्रमांक ४२

प्राधिकृत प्रकाशन

महाराष्ट्र विधानमंडळाचे अधिनियम व राज्यपालांनी प्रख्यापित केलेले अध्यादेश व केलेले विनियम आणि विधि 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 Mumbai Municipal Corporation (Amendment, Re-enactment of Capital Value Rules with retrospective effect and Validation) Bill, 2026 (L. A. Bill No. XXXI of 2026), introduced in the Maharashtra Legislative Assembly on the 25th March 2026, is hereby published under the authority of the Governor.

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

SATISH WAGHOLE,
Secretary (Legislation) to Government,
Law and Judiciary Department.

L. A. BILL No. XXXI OF 2026.

A BILL

further to amend the Mumbai Municipal Corporation Act and to re-enact certain rules relating to fixation of capital value, levy and collection of property tax with retrospective effect.

WHEREAS it is expedient further to amend the Mumbai Municipal Corporation Act and to re-enact certain rules relating to fixation of capital value, levy and collection of property tax with retrospective effect, made under section 154 of the said Act and to make certain validating provisions thereof, for the purposes hereinafter appearing ; it is hereby enacted in the Seventy-seventh Year of the Republic of India, as follows :—

1. This Act may be called the Mumbai Municipal Corporation Short title. (Amendment, Re-enactment of Capital Value Rules with retrospective effect and Validation) Act, 2026.

(१)

Amendment
of section 154
of III of 1888.

2. In section 154 of the Mumbai Municipal Corporation Act (hereinafter referred to as "the principal Act"), for sub-sections (1A) and (1B), the following sub-sections shall be substituted and shall be deemed to have been substituted with effect from 1st April 2010, namely :—

III of
1888.

“(1A) In order to fix the capital value of any land or building or part thereof assessable to a property tax, the Commissioner shall have regard to value of land or building and the factors specified as follows :—

(I) Value of land or building.—

(a) In case of land, the average rates of any land as indicated in the Annual Statement of Rates, for the time being in force, published under the Maharashtra Stamp (Determination of True Market Value of Property) Rules, 1995, framed under the provisions of the Maharashtra Stamp Act (hereinafter referred to as “Annual Statement of Rates”), as a base rate; and

LX of
1958.

(b) In case of building, average rates of any building as indicated in the Annual Statement of Rates for the time being in force, as a base rate:

Provided that, where the Annual Statement of Rates does not indicate value of any properties in any particular area wherein a land or building in respect of which capital value is required to be determined is situated, or in case such Annual Statement of Rates is not prepared or available, the Commissioner shall, in order to fix capital value of such land or building or part thereof as per the provisions of this sub-section, consider market value of such land or building in place of average rate of land or building in the Annual Statement of Rates, as a base rate; and

(II) Factors.—

(a) In case of land,—

(i) the nature and type of the land;

(ii) area of land;

(iii) user category, such as (i) industrial, (ii) residential, (iii) commercial and any other user categories not covered by any of the above categories; or

(iv) any other factors as may be prescribed by rules made under sub-section (1B).

(b) In case of building,—

(i) the nature, type and structure of the building;

(ii) built-up area of the building for the period commencing from the 1st April 2010 to 31st March 2015 and carpet area of building from 1st April 2015;

(iii) user category, such as, (i) residential, (ii) commercial (shops or the like), (iii) offices, (iv) hotels (upto 4 stars), (v) hotels (more than 4 stars), (vi) banks, (vii) industries and factories, (viii) school and college building or building used for educational purposes, (ix) malls, and (x) any other user categories of building not covered by any of the above categories;

(iv) age of the building; or

(v) any other factors as may be prescribed by rules made under sub-section (1B).

(1B) The Commissioner shall, either prospectively or retrospectively, with the approval of the Standing Committee, frame such rules to prescribe details of categories of land or building or any other factors of land or building, weightage by multiplication to be assigned to various such factors, formula for fixation of capital value of land or building or part thereof and any other matters for the purposes of fixing the capital value under sub-section (1A).”.

3. (1) Notwithstanding anything contained in any judgement, decree or order of any court, the Factors and Categories of Users of Buildings and Lands (Assignment of Weightages by Multiplication) Fixation of Capital Value Rules, 2010 (hereinafter referred to as “the Capital Value Rules, 2010”), shall be deemed to have been duly and validly made with retrospective effect from the 1st April 2010 and shall be deemed to be operative at all material times, as if they had been made in accordance with law by the Commissioner under sub-sections (1A) and (1B) of section 154 of the principal Act, as amended by this Act.

Amendment of Capital Value Rules, 2010 and re-enactment of rule 21 thereof, with retrospective effect.

(2) The Capital Value Rules, 2010 shall be amended and shall be deemed to have been amended with effect from the 1st April 2010, as follows, namely :—

(a) In rule 2 of the Capital Value Rules, 2010,—

(i) after clause (a), the following clause shall be inserted, namely :—

“(a-1) “Annual Statement of Rates” means the Annual Statement of Rates for the time being in force published under the Maharashtra Stamp (Determination of True Market Value of Property) Rules, 1995 framed under the provisions of the Maharashtra Stamp Act;”;

(ii) clause (h) shall be deleted;

(iii) in clause (i), for the words “the Ready Reckoner”, the words “the Annual Statement of Rates” shall be substituted.

(b) In rule 13 of the Capital Value Rules, 2010, for the words “the Ready Reckoner”, the words “the Annual Statement of Rates” shall be substituted.

(c) In rule 18 of the Capital Value Rules, 2010, for the words, “the Ready Reckoner” at both the places where they occur, the words “the Annual Statement of Rates” shall be substituted.

(d) Rules 20 and 22 of the Capital Value Rules, 2010 shall be deleted.

(3) Notwithstanding anything contained in any judgement, decree or order of any court, rule 21 of the Capital Value Rules, 2010 shall be deemed to have been duly and validly re-enacted, with certain modifications, and shall be deemed never to have been ceased to have effect, and shall continue to be in force from the 1st April 2010, as follows, namely :—

“For rule 21 of the Capital Value Rules, 2010, the following rule shall be substituted, namely :—

LX of
1958.

“21. Capital value of open land or building or part thereof.— The Capital value of open land or building or part thereof shall be fixed under the provisions of sub-sections (1A) and (1B) of section 154 of the Act and these rules, in the following manner, namely :—

(1) Capital value (CV) of open land.—

Average rate of open land as per Annual Statement of Rates (Base Rate -BR) X weightage by multiplication as per User Category (UC) (Part I of Schedule ‘A’) X Area of Land (AL).

$$CV = BR \times UC \times AL$$

(2) Capital value (CV) of building.—

Average rate of building as per the Annual Statement of Rates (Base Rate -BR) X weightage by multiplication as per User Category (UC) (Parts II, III, or as the case may be, IV of Schedule ‘A’) X weightage by multiplication as per the Nature and Type of Building (NTB) (Schedule ‘B’) X weightage by multiplication on account of Age of Building (AF) (Schedule ‘C’) X weightage by multiplication on account of Floor Factor (FF) (Schedule ‘D’) X Built-up Area (BA).
CV=BR x UC x NTB x AF x FF x BA”.

Amendment of Capital Value Rules, 2015 and re-enactment of rule 21 thereof, with retrospective effect.

4. (1) Notwithstanding anything contained in any judgement, decree or order of any court, the Factors and Categories of Users of Buildings of Lands (Assignment of Weightages by Multiplication) Fixation of Capital Value Rules, 2015 (hereinafter referred to as “the Capital Value Rules, 2015”), shall be amended and shall be deemed to have been amended with effect from the 1st April 2015, as follows, namely :—

(a) In rule 2 of the Capital Value Rules, 2015,—

(i) after clause (a), the following clause shall be inserted, namely :—

“(a-1) “Annual Statement of Rates” means the Annual Statement of Rates for the time being in force published under the Maharashtra Stamp (Determination of True Market Value of Property) Rules, 1995 framed under the provisions of the Maharashtra Stamp Act;”

LX of
1958.

(ii) clause (h) shall be deleted;

(iii) in clause (i), for the words “the Ready Reckoner”, the words “the Annual Statement of Rates” shall be substituted.

(b) In rule 13 of the Capital Value Rules, 2015, for the words “the Ready Reckoner”, the words “the Annual Statement of Rates” shall be substituted.

(c) Rules 20 and 22 of the Capital Value Rules, 2015 shall be deleted.

(2) Notwithstanding anything contained in any judgement, decree or order of any court, rule 21 of the Capital Value Rules, 2015 shall be deemed to have been duly and validly re-enacted, with certain modifications, and shall be deemed never to have been ceased to have effect, and shall continue to be in force from the 1st April 2015, as follows, namely :—

“For rule 21 of the Capital Value Rules, 2015, the following rule shall be substituted, namely :—

“21. Capital value of open land or building or part thereof.—The Capital value of open land or building or part thereof shall be fixed

under the provisions of sub-sections (1A) and (1B) of section 154 of the Act and these rules, in the following manner, namely :—

(1) Capital value (CV) of open land.—

Average rate of open land as per Annual Statement of Rates (Base Rate -BR) X weightage by multiplication as per User Category (UC) (Part I of Schedule 'A') X Area of Land (AL).

$$CV = BR \times UC \times AL$$

(2) Capital value (CV) of building.—

Average rate of building as per the Annual Statement of Rates (Base Rate -BR) X weightage by multiplication as per User Category (UC) (Parts II, III, or as the case may be, IV of Schedule 'A') X weightage by multiplication as per the Nature and Type of Building (NTB) (Schedule 'B') X weightage by multiplication on account of Age of Building (AF) (Schedule 'C') X weightage by multiplication on account of Floor Factor (FF) (Schedule 'D') X Carpet Area (CA).

$$CV=BR \times UC \times NTB \times AF \times FF \times CA” ”.$$

5. (1) Notwithstanding anything contained in the principal Act or rules made thereunder or any judgment, decree or order of any court, any property tax on capital value of land or building or part thereof or penalty assessed, levied, demanded, collected or reviewed by the Corporation or any of its officers or authorities; or any action taken or things done or purported to have been taken or done for assessing, levying, demanding, collecting or reviewing such property tax or penalty by the Corporation under the provisions of the principal Act, and the Capital Value Rules, 2010 and the Capital Value Rules, 2015 made thereunder, during the period commencing on the 1st April 2010 and ending on the date of commencement of the Mumbai Municipal Corporation (Amendment, Re- enactment of Capital Value Rules and Validation) Act, 2026 (hereinafter in this section referred to as “the Amendment Act”), shall be deemed to be and shall be deemed always to have been, duly and validly taken or done in accordance with the law as if the provisions of sub- sections (1A) and (1B) of section 154 of the principal Act and the said Rules, as amended by the Amendment Act, had been continuously in force at all material times and accordingly,—

Validation and saving.

Mah. ...
of 2026.

(a) all actions taken or proceedings or things done by the Corporation or any of its officers or authorities in connection with assessment, levy, demand, collection or review of such property tax or penalty shall for all the purposes, be deemed to be and shall be deemed always to have been done or taken in accordance with the provisions of the principal Act and rules made thereunder;

(b) no suit or appeal or other proceedings shall lie or be maintainable or continued in any court or before any officer or authorities against the Corporation or any of its officers or authorities for the refund of any property taxes so levied and collected;

(c) no court or any other authority shall enforce any decree or order directing the refund of any property taxes so levied and collected;

(d) any amount of property tax levied and collected in excess amount of property tax, if any, paid shall not be refunded and shall be adjusted against the amount of property tax due under the principal Act.

(2) For the removal of doubts, it is hereby declared that nothing in sub-section (1) shall be construed as preventing person,—

(a) from questioning in accordance with the provisions of the principal Act and the rules framed thereunder, as amended by the Amendment Act, assessment, levy, demand, collection or review of property tax or penalty referred to in sub-section (1);

(b) from claiming refund of any property tax paid by him in excess of the amount due from him by way of property tax under the principal Act as amended by the Amendment Act;

(3) The excess amount of property tax paid if any, shall be adjusted against the property tax due.

Power to
remove
difficulty.

6. (1) If any difficulty arises in giving effect to the provisions of the principal Act, as amended by this Act, the State Government may, as occasion arises, by an order published in the *Official Gazette*, do anything, not inconsistent with the provisions of the principal Act, as amended by this Act, which appears to it to be necessary or expedient for the purposes of removing the difficulty:

Provided that, no such order shall be made after expiry of the period of two years from the date of commencement of this Act.

(2) Every order made under sub-section (1) shall be laid, as soon as may be, after it is issued, before each House of the State Legislature.

STATEMENT OF OBJECTS AND REASONS

The Municipal Corporation of Brihan Mumbai has adopted the system to levy property taxes on lands and buildings in Brihan Mumbai on the basis of capital value of the lands and buildings with effect from the 1st April 2010. Sub-section (1A) of section 154 of the Mumbai Municipal Corporation Act (III of 1888) provides for the determination of capital value of any building or land assessable to a property tax and sub-section (1B) of said section 154 empowers the Commissioner to frame the rules, with the approval of the Standing Committee, therefor.

2. Accordingly, the Commissioner of Municipal Corporation of Brihan Mumbai has framed the Factors and Categories of Users of Buildings or Lands (Assignment of Weightages by Multiplication) Fixation of Capital Value Rules, 2010 and the Factors and Categories of Users of Buildings or Lands (Assignment of Weightages by Multiplication) Fixation of Capital Value Rules, 2015. The said Capital Value Rules of 2010 were made by the Commissioner on the 20th March 2012 and made applicable with retrospective effect from the 1st April 2010.

3. The Bombay High Court in its judgment dated 24/04/2019 in W.P. No. 2592 of 2013 & Ors. and Supreme Court in its judgment dated 07/11/2022, in SLP (C) No. 17009 of 2019 & Ors., have held that the said Rules of 2010 shall be applicable with prospective effect and not with the retrospective effect as the said Act does not empower the Commissioner to frame the rules with retrospective effect and rules 20, 21 and 22 of the said Capital Value Rules of 2010 and 2015 are struck down being *ultra vires* to the provisions of the said Act for the reasons stated therein.

4. The property tax is the main source of revenue of the Municipal Corporation of Brihan Mumbai. In view of the said judgment of the Supreme Court, the assessment, levy, collection of property tax by the Corporation has been stalled which has resulted in huge loss of revenue of the said Corporation. Therefore, it has become difficult for the Corporation to perform effectively, its duties and responsibilities entrusted under Schedule XII of the Constitution of India and the Mumbai Municipal Corporation Act, to provide various services and amenities like healthcare, education, housing, transport, water supply, etc., and other infrastructure. Without collection of revenue, the Corporation will not be able to provide amenities to general public. Therefore, it has become necessary to prevent the huge loss of revenue of the Corporation, by suitably amending the said Act and the said rules after removing the basis of the judgments of the Bombay High Court and Supreme Court.

The Government, therefore, considers it expedient to propose a law for the following purposes, namely:—

(a) to substitute sub-sections (1A) and (1B) of section 154 of the Mumbai Municipal Corporation Act suitably, with a view to bring clarity in the said provisions for fixation of capital value of lands and buildings assessable to property tax;

(b) to empower the Commissioner to prescribe by rules, formula and any other matters for fixing capital value of any land or building assessable to property tax with prospective or retrospective effect;

(c) to re-enact the Capital Value Rules of 2010, retrospectively, with effect from 01.04.2010;

(d) to re-enact rule 21 of the Capital Value Rules, 2010 and Capital Value Rules, 2015 to levy and collect property tax under the re-enacted provisions of the said rules;

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(e) to delete rules 20 and 22 of the Capital Value Rules, 2010 and Capital Value Rules, 2015 and to amend said rules suitably;

(f) to validate the actions taken by the Corporation with respect to assessment, levy, collection, etc., of property tax.

5. The Bill seeks to achieve the above objectives.

Mumbai,
Dated the 24th March 2026.

EKNATH SHINDE,
Deputy Chief Minister
(Urban Development).

MEMORANDUM REGARDING DELEGATED LEGISLATION

The Bill involves the following proposals for delegation of legislative power, namely :—

Clause 2.—Under this clause, which seeks to substitute sub-sections (1A) and (1B) of the Mumbai Municipal Corporation Act (III of 1888), power is taken to the Commissioner to prescribe by rules, details of categories of land or building or any other factors of land or building, weightage by multiplication to be assigned to various such factors, formula for fixation of capital value of land or building or part thereof and any other matters for the purposes of fixing the capital value under sub-section (1A).

Clause 5.—Under this clause, power is taken to the State Government to remove, by an order published in the *Official Gazette*, within a period of two years from the date of publication of the Act, any difficulty, which may arise in giving effect to the provisions of the Act.

2. The above-mentioned proposals for delegation of legislative power are of normal character.