

CONFIDENTIAL

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**PROVINCIAL ASSEMBLY OF THE PUNJAB
REPORT OF THE STANDING COMMITTEE ON LOCAL
GOVERNMENT AND RURAL DEVELOPMENT REGARDING
THE PUNJAB LOCAL GOVERNMENT (FOURTH
AMENDMENT) BILL 2016 (BILL NO. 21 OF 2016)**

The Punjab Local Government (Fourth Amendment) Bill 2016 (Bill No. 21 of 2016) was referred to the Standing Committee on Local Government and Rural Development on 11th May 2016. The Committee considered the Bill in its meeting held on 25 May 2016.

2. The following were present:—

1.	Ch Abdul Razzaq Dhillon, MPA (PP-33)	Chairman
2.	Ms Suriya Naseem, MPA (W-322)	Member
3.	Mr Ghazanfar Abbas Chheena, MPA (PP-49)	Member
4.	Sardar Ali Raza Khan Dreshak, MPA (PP-247)	Member

3. Mr Nasim Nawaz, Secretary to Government of the Punjab, Local Government and Community Development and Mr Mohsin Abbas Syed, Director, Law and Parliamentary Affairs Department represented their Departments. Hafiz Muhammad Shafiq Adil, Special Secretary, Provincial Assembly of the Punjab functioned as Secretary to the Committee.

4. The Secretary to Government of the Punjab, Local Government and Community Development Department apprised the Committee about the aims and objects of the Bill. He stated that an amendment in the Punjab Local Government Act 2013 (XVIII of 2013) was required to empower a rural Union Council with urban characteristics to levy property tax within its areas in addition to other urban local governments. Moreover, Section 116 of the Punjab Local Government Act 2013 (XVIII of 2013) provided that where a Metropolitan Corporation, a Municipal Corporation and Municipal Committee had not determined the rate of property tax within its area, the property tax would be levied in accordance with the provisions of the Punjab Urban Immovable Property Tax Act, 1958 (V of 1958). Part-I of Third Schedule of the Punjab Local Government Act 2013 empowered a rural Union Council having urban characteristics to impose tax on urban immovable property but a rural union council with urban characteristic had not been reflected in section 116 of the Act. Therefore, it was imperative to remove this anomaly and harmonize the provisions of section 116 with Part-I of Third Schedule of the said Act. The said Bill had proposed to harmonize the provisions of section 116 and Part-I of Third Schedule of the said Act and make provision for a Union Council with urban characteristics to determine rate of property tax. He requested the Committee that the Bill, as introduced, may be recommended to be passed by the Assembly.

5. The Committee after hearing the Members, having view point of the Administrative Department as well as the Law and Parliamentary Affairs Department and discussing various points, unanimously decided to recommend that the Bill may be passed by the Assembly subject to the following amendment:-

AMENDMENT IN THE BILL

LONG TITLE

the word "further" be added before the words "to amend".

6. A copy of the Bill as introduced in the Assembly is at Annexure-A and a copy of the Bill as recommended by the Committee is at Annexure-B.

Lahore
25 May 2016

(CH ABDUL RAZZAQ DHILLON)
Chairman
*Standing Committee on Local Government
and Rural Development*

Lahore
25 May 2016

Mumtaz Hussain
(RAI MUMTAZ HUSSAIN BABAR)
Secretary

ANNEXURE – A

(BILL AS INTRODUCED IN THE ASSEMBLY)
PROVINCIAL ASSEMBLY OF THE PUNJAB

Bill No. 21 of 2016

THE PUNJAB LOCAL GOVERNMENT (FOURTH AMENDMENT)
BILL 2016

A
BILL

to amend the Punjab Local Government Act 2013

An amendment in the Punjab Local Government Act 2013 (XVIII of 2013) is required to empower a rural Union Council with urban characteristics to levy property tax within its areas in addition to other urban local governments.

Be it enacted by Provincial Assembly of the Punjab as follows:

1. Short title and commencement.– (1) This Act may be cited as the Punjab Local Government (Fourth Amendment) Act 2016.

(2) It shall come into force at once.

2. Amendment in section 116 of Act XVIII of 2013.– In the Punjab Local Government Act 2013 (XVIII of 2013), in section 116, for subsection (3), the following shall be substituted:

“(3) If a Metropolitan Corporation, a Municipal Corporation, a Municipal Committee or a rural Union Council with urban characteristics has not determined the rate of property tax within its area, the property tax shall be levied in accordance with the provisions of the Punjab Urban Immovable Property Tax Act, 1958 (V of 1958).”

STATEMENT OF OBJECTS AND REASONS

Section 116 of the Punjab Local Government Act 2013 (XVIII of 2013) provides that where a Metropolitan Corporation, a Municipal Corporation and Municipal Committee has not determined the rate of property tax within its area, the property tax shall be levied in accordance with the provisions of the Punjab Urban Immovable Property Tax Act, 1958 (V of 1958). Part-I of Third Schedule of the Punjab Local Government Act 2013 empowers a rural Union Council having urban characteristics to impose tax on urban immovable property but a rural union council with urban characteristic has not been reflected in section 116 of the Act. Therefore, it is imperative to remove this anomaly and harmonize the provisions of section 116 with Part-I of Third Schedule of the said Act. This Bill proposes to harmonize the provisions of section 116 and Part-I of Third Schedule of the said Act and make provision for a Union Council with urban characteristics to determine rate of property tax. Hence this Bill.

MINISTER INCHARGE

Lahore:
11 May 2016

RAI MUMTAZ HUSSAIN BABAR
Secretary

ANNEXURE – B

**(BILL AS RECOMMENDED BY THE STANDING COMMITTEE ON
LOCAL GOVERNMENT AND RURAL DEVELOPMENT)**

A
BILL

further to amend the Punjab Local Government Act 2013.

An amendment in the Punjab Local Government Act 2013 (XVIII of 2013) is required to empower a rural Union Council with urban characteristics to levy property tax within its areas in addition to other urban local governments.

Be it enacted by Provincial Assembly of the Punjab as follows:

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(2) It shall come into force at once.

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