



TAMIL NADU GOVERNMENT GAZETTE

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Part III—Section 1(a)

**General Statutory Rules, Notifications, Orders, Regulations, etc.,
issued by Secretariat Departments.**

NOTIFICATIONS BY GOVERNMENT

MUNICIPAL ADMINISTRATION AND WATER SUPPLY DEPARTMENT

AMENDMENTS TO THE TAMIL NADU URBAN LOCAL BODIES RULES, 2023.

[G.O. Ms. No. 480, *Municipal Administration and Water Supply [MA.IV]*, 16th December 2025,
மார்ச்சு 1, விசுவாச, திருவள்ளூர் ஆண்டு-2056.]

No. SRO A-35(b)/2025.

In exercise of the powers conferred by section 198 of the Tamil Nadu Urban Local Bodies Act, 1998 (Tamil Nadu Act 9 of 1999), the Governor of Tamil Nadu hereby makes the following amendments to the Tamil Nadu Urban Local Bodies Rules, 2023:-

AMENDMENTS.

In the said Rules,-

(1) in rule 255, in sub-rule (1), in clause (c), in the first proviso, for the word “assessee”, the word “lessee” shall be substituted;

(2) in rule 256, after sub-rule (4), the following sub-rule shall be inserted, namely:-

“(4-A) Any return filed for transfer of property under this sub-rule shall be accompanied by such fee of Rs.500/- (Rupees five hundred only) for residential building and Rs.1000/- (one thousand only) for non-residential building”.

(3) in rule 258, in sub-rule (2), the following expression shall be added, at the end, namely:-

“The return shall contain all details of ownership, size of land, plinth area of building, type of construction, nature of use, building permission details, occupancy certificate, date of construction, date of occupation, photograph of property and such other relevant details as may be sought by the Commissioner through the self-assessment system from time to time”;

(4) in rule 260, in sub-rule (3), the following expression shall be added at the end, namely:-

“and such rectification shall be made by the commissioner within two years as specified in section 98 of the Act.”;

(5) in rule 265, in sub-rule (2), in clause (h), after the expression "educational", the expression "social, cultural", shall be inserted;

(6) in rule 268,-

(a) in sub-rule (2), for the expression "thirty days", the expression "a month" shall be substituted;

(b) after sub-rule (3), the following proviso shall be inserted, namely:-

"Provided that the grant of incentive and levy of interest referred to in sub-rules (2) and (3) shall not be applicable to the buildings owned by the State Government, Central Government, Municipality, Panchayat or statutory body or Undertaking under the control of State or Central Government.";

(7) in rule 271,-

(a) in sub-rule (7), in clause (b), in sub-clause (iii), for the expression "Chapter VII", the expression "Chapters VI and VI-A" shall be substituted;

(b) in sub-rule (11),-

(i) in clause (a), the expression "In case of municipal councils and town panchayats," shall be omitted;

(ii) after clause (b), the following clause shall be added, namely:-

"(c) The Assistant Director in case of Town Panchayats, the Regional Director of Municipal Administration in case of Municipal councils, the Director in case of all other Municipal Corporations and the Government in case of Greater Chennai Corporation, may, either suo motu or on the report of Executive Authority, if they consider that the decision of the Committee in respect of any appeal disposed of by it, is not in accordance with the provisions of the Act and Rules, call for and peruse such records as they may consider necessary and either decide not to interfere in the matter or pass such order as found necessary in the matter. The order so passed by the such revisionary authority in this behalf shall be binding on the Council.";

(c) after sub-rule (11), as so amended, the following sub-rule shall be inserted, namely:-

"(11-A) The Government may, suo-motu or on representation or otherwise, if they consider that the decision of the Committee in respect of any appeal disposed of by it or any order passed by revisionary authority is not in accordance with provisions of the Act and Rules, call for and peruse such records as they may consider necessary and either decide not to interfere in the matter or pass such order as found necessary in the matter. The order so passed by the Government in this behalf shall be binding on the Council.";

(8) in rule 273, for sub-rule (3), the following sub-rule shall be substituted, namely:-

"(3) The Council may determine the rate of levy of education tax at a rate not exceeding five per cent of the annual value of all lands, buildings, telecommunication towers and storage structures built on or attached to land.";

(9) in rule 316, for sub-rules (1) and (2), the following sub-rules shall be substituted, namely:-

"(1) The Council may grant lease or rent out any land or building belonging to it for use and occupation for a period not exceeding,-

(a) three years to the general public for non- commercial purpose;

(b) nine years to the Central or State Government Departments, Public Sector Undertakings or Statutory bodies owned or controlled by the Central or State Government;

(c) twelve years, subject to renewal at the end of every three years, in the case of commercial shopping complexes, shops, bunk stalls, market shops, bus stand shops, open stalls and community halls, etc.

(1-A) While granting lease or rent, the following guidelines shall be followed, namely:-

(a) Granting of Lease of, all immovable properties, of the municipalities for the first time shall be made through public auction.

(b) Municipal shops shall be leased out for a period of three years at a time. After completion of the three-year lease period, the lease agreement shall be automatically renewed for a further period of three years subject to a maximum of twelve years.

(c) Every year, the lease amount shall be increased by five percent. This increase shall apply to the existing lessees who are currently holding municipal properties also.

- (d) On completion of twelve years, the lease shall not be extended further.
 - (e) The lease rate shall be revised based on the prevailing market value of the building or land and the property shall be leased out through public auction.
 - (f) The lessee shall pay the following fees for the renewal of their lease at the end of every three years and sign agreement with municipality by accepting lease conditions:-
 - (i) Upto 100 sq. ft: Rs.2,500/- (Rupees two thousand and five hundred only);
 - (ii) From 101 sq.ft and upto 500 sq.ft: Rs.5000/- (Rupees five thousand only);
 - (iii) From 501 sq.ft and upto 1000 sq.ft: Rs.7,500/- (Rupees seven thousand and five hundred only);
 - (iv) 1,001 sq.ft and above: Rs. 10,000/- (Rupees ten thousand only);
 - (g) The legal heirs of the lessee may seek transfer of lease rights to their name provided they pay all the outstanding dues and agree to pay the lease amount fixed by the municipality from time to time. The legal heirs shall be bound by the general lease conditions and regulations. The application for name transfer shall be accompanied by a fee of Rs.5000/- (Rupees Five thousand only).
- (1-B) In the case of agricultural land for agricultural purpose, the Council may grant lease for a period not exceeding twenty years:
- Provided that the Government may, in special and extraordinary circumstances, allow the council to sanction long lease beyond the period prescribed in clause (iv) of sub-section (3) of section 78 of the Act.
- (1-C) The licensee for the municipal properties, such as, markets, bus / vehicle entrance, park, slaughter house, toilets, road margin, bus stand waiting room / cloak room, pay and use toilets advertising through LED screen, weighing machine and other utility services like fish farming, etc. shall be eligible to collect usage charge as may be fixed by the Council, subject to the following conditions:-
- (a) The right to collect the charges by the licensee shall be for a period of three years only and thereafter auction cum tender, including e-tender, shall be conducted afresh.
 - (b) The licence fee for the first year shall be paid by the licensee at the time of granting such licence.
 - (c) The licence fee for the second year shall be enhanced by five percent and be paid by the licensee at the beginning of the second year;
 - (d) The licence fee for the third year shall be enhanced by five percent of the second year fee and be paid by the licensee at the beginning of the third year.
 - (e) For every subsequent year, the licence fee shall be paid, on or before the last day of February of the previous year.
- (2) Lease rent or rent shall be paid in the following manner, namely:-
- (a) A formal notice shall be served to the existing lessee, six months prior to the expiry of three years lease term, seeking confirmation of acceptance of the revised rate. In the case of non-acceptance, re-auction process shall be commenced:

Provided that for renting of shops in shopping complexes or public markets, the collection of rent shall be made every month.
 - (b) A penal interest at the rate of twelve percent shall be levied on licence fee, lease rent or rent that is not paid within the prescribed date and is due.
 - (c) The leased or lease - rent properties shall be regulated in the following manner, namely:-
 - (i) Public sanitation and maintenance work of leased out properties may be carried out by the contractors concerned.
 - (ii) The municipality shall execute tenancy agreements with the licensee or lessee online, at the cost of licensee or lessee, as the case may be in accordance with the provisions of the Tamil Nadu Regulation of Rights and Responsibilities of Land Lords and Tenants Act, 2017 (Tamil Nadu Act 42 of 2017).
 - (iii) Where the rent is fixed as per Public Works Department schedule of rate, it may be reduced up to ten percent for first floor, fifteen percent for second floor, twenty-five percent for third floor and above.

- (iv) Depending on the location and accessibility, discount of ten percent, fifteen percent and upto twenty percent may be applied to the rent fixed for buildings, as determined by the PWD schedule of rates.
- (v) When the bidder quotes a rate higher than the rate, fixed by the municipality, the proportionate deposit shall be increased, and a Bank Guarantee certificate for fifty percent of the deposit amount shall be collected.
- (vi) Six months prior to the end of the lease or licence period, as the case may be, the process of re-fixing the rent shall be commenced.
- (vii) In the event of multiple auction (more than four, including one e-auction) with no bidder meeting the fixed rate, the rate may be reduced up to ten percent. However, any reduction exceeding this threshold may be given with the during the duration of the lease.
- (viii) The lease rent or rent shall be enhanced every year by five percent during the duration of the lease.
- (ix) When re-fixing of rent after tenure of a lessee for new constructions, if the PWD rate exceeds the market rate by more than twenty-five percent, the higher of the two rates shall be adopted.
- (x) During the reconstruction of buildings, preference shall be given to the existing lessees who had signed a Memorandum of Understanding (MoU) earlier, while accepting the average value of the open tender allotted by a transparent lot method, subject to satisfaction of all other conditions.
- (xi) Sub-committees shall be constituted at regional level to resolve the issues, including the cases where anomalies, if any arise, in the revised rates and such committees may be reconstituted by the Director based on reorganisation of municipalities.
- (xii) The decision made by the sub-committee shall be placed before the council for approval. Issues that could not be resolved at the sub-committee level shall be escalated to the State Level Committee for further review.”.

(10) in rule 385, after the expression “municipal limits”, the following expression shall be inserted, namely:-

“with the technical inputs from Public Health Authority of the Government regarding the choice of pesticides, human resource, surveillance, etc.”.

(11) in rule 390, in sub-rule (3), the expression “The entry into such sewer or septic tank by human being shall also be prohibited” shall be added at the end;

(12) in rule 392, in sub-rule (13), the expression “as far as possible” shall be omitted.

D. KARTHIKEYAN,
Principal Secretary to Government.