

Government of Meghalaya
Urban Affairs Department

NOTIFICATION

1. No. UAM - In exercise of the powers conferred by Section 301, Sub-section (2) and Clause xii of the Meghalaya Municipal Act 1973 (Assam Act XV of 1957) as adapted by the state of Meghalaya), the Government of Meghalaya hereby make the following rules, namely:-

1 Short title and commencement:

- (1) These Rules shall be called the Assessment of Annual Rateable Value (ARV) of Holdings Rules, 2014.
- (2) They shall come into force at once with effect from its publication.

2 Definitions :

In these Rules 2012 unless there is anything repugnant to the subject or context:-

- a) "Act" means Meghalaya Municipal Act, 1973 (as amended in 2012) (Assam Act XV of 1957 as adapted by Meghalaya).
- b) "Annual Rateable Value (ARV)" in relation to a building shall mean the estimate of the annual return of any property taking all factors such as physical infrastructure, social amenities, and environment conditions, which affect the value of the expected return.
- c) "Building" would mean a house, hut, shed or other roofed structure, or whatsoever purpose and of whatever material constructed and any part thereof, but shall not include a tent, or other merely temporary shelter including any kind of temporary shed erected on ceremonial or festive occasions.
- d) "Central (Union) government holdings" shall mean all holdings owned by the Government of India.
- e) "Commercial holding" shall mean any holding or portion of it used for transaction purposes, such as private office, shops, restaurants, godowns, commercial office complexes and other business establishment.

- f) "Covered space" would mean total measured covered space (including thickness of the walls) in squared meters as taxable base of the holdings of all floors in multi-floor holdings.
- g) "Flat or apartment" means a flat or an apartment is a self-contained housing unit that occupies only part of a holding. Such a holding may be called an *apartment holding*, *apartment house*, *block of flats*, tower block, *high-rise* or, occasionally *mansion block*, especially if it consists of many apartments for rent. Apartments may be owned by an *owner/ occupier* or rented to *tenants*.
- h) "Industrial holding" shall mean private hospital, private nursing home, private educational institution etc., industrial holding, factory, mill, workshop and other industry.
- i) "Holding" would mean land held under one title or agreement and surrounded by one set of boundaries;

Provided that where two or more adjoining holdings from part and period of the site or premises of a dwelling-house, manufacturing ware-house, or place of trade or business, such holding shall be deemed to be one holding for the purposes of the MM Act and this Rule.

Explanation: Holdings separated by a road or other means of communication such be deemed to adjoining within the meaning of this provide;

Provided also that where land has been let out to occupants in separate parcels paying rents separately, each such parcel shall be treated a distinct holding in spite of such parcels of land being held under one title.

Any plot of land having clear boundaries and lying entirely vacant, if fit for building purposes or if yielding any income shall, when not appointment to any buildings and not used for any agricultural purposes be regarded as a holding.

The owner or occupier of such holding would be liable to pay property taxes and other user charges.

- j) "House" would mean any hut, shop, warehouse, workshop, a masonry or framed house.

- k) "Hut" would mean any building, which is constructed principally of wood, mud, leaves, grass or thatch and includes any temporary, structure of whatsoever size, or any small building of whatever material made.
- l) "Hotel, club, malls" shall mean all holdings used as hotels, guest houses, clubs and malls.
- m) "Institutional holdings" shall mean government administrative offices, government-run schools and colleges, government public health centres, hospitals and dispensaries.
- n) "Land" includes (besides land) benefit arising out of land houses and things attached to the earth or permanently fastened to anything attached to the earth and also land covered by water.
- o) "Occupier" would mean the person(s) for the time being in actual occupation of, or paying; or liable to pay to the owner, the rent or any portion of the rent of the land or building in respect of which the word is used, and includes a person occupying a holding or part of holding rent-free, and an owner living in his own house.
- p) "Owner" includes (1) the person for the time being receiving the rent of any land or building or any part of any land or building whether on his own account or as agent or trustee for any person or society for any religious or charitable purpose or as receiver, or who would so receive such rent if the land, building or part thereof were let to a tenant.

(2) the person for the time being in charge of the animal or vehicle, in connection with which the word is used.
- q) "Property" would mean a portion or property in a holding under another independent ownership liable to pay property tax.
- r) "Published" means published in at least one local language and another in English Daily newspaper prominently in circulation in the municipal area.
- s) "Rate" would mean the tax upon the annual ratable value of holdings.
- t) "Rules" means the Assessment of Annual Rateable Value (ARV) of Holdings under Self-Assessment Systems Rules, 2012.

- u) "Residential holding" shall mean use of portion of the building wholly for dwelling purposes by a family/ families/ individual, other than any premises for commercial use including hostels, boardings, lodges, hotels and guest houses.
- v) "Self-Assessment System (SAS)" implies that the onus of declaration of assessment of tax liability on the prescribed Property Tax Return (PTR) Form would mandatorily be on the owners or the occupier, as the case may be, of the holding.
- w) "State government holdings or Civil stations" shall mean all holdings owned by the State government or public undertaking under the control of the State government used for residential or non-residential purpose, excluding hotels owned by State government/ State Public Undertakings.
- x) "Tax" means property taxes, which include house tax, street lighting tax, and drainage tax, as per the MM Act, 1973 (as amended) loaded on the assessed Annual Rateable Value (ARV) assessed under Self-Assessment System (SAS).
- y) "Unit Area Method (UAM)" is the method of valuation of holding by using area-based method of assessment.
- z) "Unit Area Value" is an estimated per unit area return from a property in a zone as fixed by the Government.

(2) All expressions used in these Rules which are not defined but defined in the Act, shall have the same meaning as on the Act.

3 Unit area method of (UAM) assessment:

The Unit Area Method is simple, arithmetical and transparent. It is based on fixing a base unit area value per square metre of covered space for calculation of property tax. The tax for a particular holding is based on the Annual Rateable Value (ARV) of the holding arrived at by multiplying base Unit Area Value (UAV) assigned to the zone by the covered space of the holding and the Multiplicative Factor Values (MFV) for occupancy, age, structure, construction, location and use of the holding.

4 Full self-assessment system (SAS):

Full self-assessment requires holding owners to place an assessed value on their own holding. It implies that the owner of the holding, or the occupier in certain cases, are liable mandatorily to file Property Tax Return (PTR) on prescribed format declaring the physical attributes of the holding and measurement of covered space, computed annual rateable value (ARV) by using applicable base unit area value (UAV) and multiplicative factor values (MFV). On this net aggregate ARV the taxpayer shall apply applicable rate of tax to arrive at the gross tax liability. Finally, the taxpayer shall calculate the net tax liability after deducting permissible rebates and adding penalties, if any, and deposit the tax with the designated collection offices or in such manner as decided by the Board. The Board henceforth would discontinue the practice of issuing property tax demand notice. However, the Board reserves the right to issue such notice in case the holding owner fails to file the PTR within the prescribed time period in the Act and treated as defaulter.

5 Assignment of property tax identification number (PTIN) :

The eleven digit unique property tax identification number (PTIN), by which any holding/ property in any area within the jurisdiction of the Board may be known, shall be fixed and published by the Board in the following manner, for example:

- a. The first two digits will indicate the ward number in numerical form;
- b. The next three digits will indicate the present holding number in numerical form;
- c. The next four digits will indicate the property number in numerical form;
- d. The next two digits will indicate the number in which a holding is subdivided, such as flat or independent property portions.

Code for ->	Ward	Holding Number	Property Number	Division, if any
Code digits	**	***	****	**

6 Classifications of localities into homogenous zones:

The entire localities within Shillong Municipal Board (SMB) area divided in 27 wards has been classified into six zones (A to F) on the basis of proximity to school, college, and hospital; road connectivity; bus stand; civic services like sanitation, street lighting and water supply; environmental conditions; concentration of economic activities (market); land values; and rentals corresponding to each zone, (viz. A, B, C, D, E, F) as per the provisions in the Meghalaya Municipal Act 1973. Localities have been categorized into zones as follows:

Zone	Ward & Localities	
A	1	Whole of Ward 9, part of ward 10 bounded by road behind Assembly building in the south , road behind MTC in the east and the lane from Vishal market upto Hotel Alpine in the north
	2	All holdings facing the G.S Road from Umsohsun Junction up to Qualapatty Junction
B	1	Ward 1 excluding Nongrimbah and Demseiniong localities.
	2	Ward 3
	3	Ward 4
	4	Ward 10 excluding area falling under zone A
	5	Ward 8 except the part bounded as follows: North: drain starting behind Satsang Vihar up to the junction with the natural drain coming from Earle holiday home East: Drain starting from Ward's lake up to the junction with the drain behind Satsang Vihar West: Eastern Boundary of Earle Holiday up to the Main road leading to Ward's Lake. South: Road from Earle Holiday Home to Ward's Lake
	6	Parts of Ward 7 Bounded as follows: North. East and West: Ward Boundaries South: Along National Highway 44 from Malki Point up to Civil Hospital
	7	Parts of Ward 5 Bounded as follows: North, East and West: Ward Boundary South: Umshyrpi stream
	6	Parts of Ward 6: North, East and West: Ward Boundary South: Umshyrpi stream
	7	Parts of Ward 17 bounded by North : G. S Road East & West : Ward Boundary South : Ward boundary and Iewduh
	C	1
2		Parts of Ward 7 bounded by: North: Along National Highway 44 from Malki Point up to Civil hospital East, West and South: Ward Boundary:
3		Parts of ward 8 bounded as follows: North: drain starting behind Satsang Vihar up to the junction with the natural drain coming from Earle holiday home East: Draing starting from Ward's lake up to the junction with the drain behind Satsang Vihar West: Eastern Boundary of Earle Holiday up to the Main road leading to Ward's Lake. South: Road from Earl Holiday Home to Ward's Lake
4		Whole of Ward 22, 23, 24 and 25

Zone	Ward & Localities	
D	1	Nongrimbah Locality of Ward 1
	2	Cleave Colony Locality of Ward 5
	3	Parts of Ward 6 bounded as follows:
		North: Umshyrpi stream
		East: Main drain from Malki Pdengshong to Malki Ground and along the line behind one roadside properties along the Law College Road
	4	Whole of Umsohsun and Mawkhar Locality of Ward 12, except properties facing the G.S Road.
		Whole of ward 14
	Whole of Mission Compound and Jaiaw Pdeng Localities in Ward no 17	
	Whole of Ward 21	
	Madan Laban and Riat Laban Locality of Ward no 27	
E	1	Whole of Wahingdoh and Riatsamthiah in ward no 12 and 13
	2	Whole of Wahthapbru except properties facing GS Road
	3	Whole of Ward 15
	4	Whole of Jaiaw Langsning and Jaiaw Lumsyntiew of Ward 16
	5	Whole of Ward 18, 19 and 20
	6	Part of Ward 26 bounded by
		North , East and West bounded by ward boundary
	South: Jackson's Trace road	
7	Whole of Ward no 11	
F	1	Demseiniong Locality of ward 1
	2	Parts of Ward 5
		North and East: Wahkdait stream upto its junction with Umshyrpi
		South and West: Ward Boundaries
	3	Parts of Ward 6 bounded by
		North: along the line behind one roadside properties along the Law College Road
	West : Main drain from Malki Pdengshong to Malki Ground	
	South and East: Ward boundary	
4	Whole of Nongmali Locality of Ward 11	
5	Whole of Ward 26 expect area covered in zone E	
6	Kynjat Phutbol in Ward no 27	

7 Classifications of holdings:

The holdings in the SMB area shall be classified by the Board on the following criteria:

a) Situation of holdings (any entrance to the holding facing in following order):

- i. Holding on main road (width 6 mtrs and more)
- ii. Holding on other road (less than 6 mtrs)
- iii. Holding on footpath/step (other than on (i) and (ii) and also non-motorable)

b) Use of portion of the holding:

- i. Portion of the holding purely in residential use.
- ii. Portion of the holding purely in industrial or purely commercial (whether self-owned or otherwise) use.
- iii. Portion of the holding purely in use of hotels, guest houses and malls.
- iv. Portion of holding purely in institutional use.
- v. Portion of holding purely in public purpose use.
- vi. Portion of holding owned by the State government/ State government undertakings.
- vii. Portion of holding owned by the Central government/ Central government undertakings.

c) Structure of the holding (fully or partially):

- i. Pucca holding with R.C.C. roof.
- ii. Assam type.
- iii. All other holdings not covered in sub-clause (i) & (ii).

d) Age of the holding (even related portion of the holding):

- i. Up to 25 years.
- ii. 25 + to 50 years.
- iii. More than 50 years.

Note: April to September to be considered as lower number while October to March as higher number. The completion and occupancy certificate issued by the MUDA or any designated agency is to be attached with PTR Form.

e) Occupancy of the holding (fully or portion thereof):

- i. Self-occupied.
- ii. Rented.

8 Classifications of Roads:

The roads are classified as follows:

- i. Main road – More than 6 mtrs width
- ii. Other road – Less than 6 mtrs
- iii. Footpath/steps – Neither of (i) and (ii) and including non-motorable

The Shillong Municipal Board shall notify the list of main and other roads from time-to-time.

9 Taxable Covered Space:

The taxable covered space of a holding is defined as "covered by a roof, whether pucca, semi-pucca or kuchcha (a grill, net, etc shall not be considered as a roof), and enclosed on all sides by means of walls, doors, shutters, windows, grills or any such means or provided with collapsible doors, windows, grills or rolling shutters or any such means which will enable the space to be enclosed including the thickness of walls."

The calculation of covered space for various types of holding is as follows -

- a) *Single storied holdings*: The total covered space of an existing holding or of a newly completed house.
- b) *Double storied (or more) holdings*: The total covered space of the basement(s)/ ground floor, as the case may be, plus the projected covered space made at subsequent floor(s).
- c) *Flats or apartment*: The taxable space for flats or apartments would be their super area, which includes shared common area also used commonly by all the flat/ apartment owners. This information is provided to all the flat/ apartment owners or occupiers in the group of that block/ complex.
- d) *Exclusions*:
 - (i) *Detached units*: Any structure not covered by four walls by any kind of material and a roof shall not form part of the covered space.
 - (ii) *Open balconies/ portico/ varandah/ staircases not covered by all the sides* shall not form part of the covered space.

In no case should the measurement based on the site plan while submitting the application for building permission should be taken into consideration. It must be actual physical measured covered space of the structure.

10 Multiplicative factor values (MFV):

Multiplicative factors shall be used on the holdings while computing property tax liability. The municipal valuation committee may revise factors for consideration and the factor values. Five multiplicative factors with values, namely, (a) structure factor

(SF), (b) age factor (AF), (c) occupancy factor (OF), (d) use factor (UF), and (e) location factor (LF) are as follows:

a) Structure factor (SF):

Factor	RCC	Assam type	Others
Value	1.0	0.9	0.7

b) Age factor (AF):

Factor	Less than 25 yrs	More than 25 – 50 yrs	More than 50 yrs
Value	1.0	0.8	0.6

c) Occupancy factor (OF):

Factor	Self-occupied	Tenanted
Value	1.0	1.5

d) Use factor (UF)

Factor	Residential	Institutional	Commercial & industrial	Central and State government/ State public sector undertaking holdings
Value	1.0	1.5	2	3

e) Location factor (LF) :

Factor	Main road	Other roads	Footpaths/Steps (non-motorable)
Value	1.0	0.8	0.6

11 Unit area values (UAV):

Zone-wise UAV: (In Rs. Per square metre):

Zone	A	B	C	D	E	F
Value (per sqr mtr)	500	264	210	158	128	86

12 Rate of tax:

The property tax rate would be 4.5 percent of the ARV for all types of holdings, with a break-up of (i) house tax @ 3.0 percent and (ii) drainage tax @ 1.5 percent.

13 Mode of payment:

The advance property tax may be paid either as a single installment by the close of first quarter with a rebate or may be paid in equal installments without rebate by the end of each quarter, namely, 30th June, 30th September, 31 December and 31st March of each year.

14 Rebate for timely payment

A rebate of 5 percent would be given on payment of annual tax liability by the end of first quarter of the fiscal year, by the 30th June.

15 Penalties for late payment:

A penal interest at 2 percent per month would be charged on late payment of tax liability after the end of each relevant quarter.

16 Method of calculation of annual rateable value (ARV) of holdings:

Property tax can be self-assessed by the individual holding owners or by any other person liable to pay the tax in the following manner:

Formula for assessment:
$$\text{Annual Tax Payable (Rs)} = \{\text{Zone-wise UAV (Rs/sqmtr)} \times \text{MFV} \times \text{Covered Space of Holding (sqm)} \times \text{Tax Rate (\%)}\} \{(-) \text{Timely Payment Rebate @ 5\% (+) Penalty for late payment @ 2\% per month or part of month}\}$$

- 1) **Step 1:** Measure the covered space of the holding. It has to be measured separately of all floors, including basement(s), and each portion in different exclusive use or differently constructed or different ownership or constructed at different times. Then aggregate them all.
- 2) **Step 2:** Take the base unit area value of the zone notified by the Board

3) **Step 3:** Calculate the ARV by using the following formula:

$$\text{ARV (Rs)} = \text{Applicable UAV} \times \text{Covered Area} \times \text{Applicable MFV [OF AF, SF, UF, LF]}$$

4) **Step 4:** In cases where different portions of holding are put to different uses, the ARV will be calculated for each such portion in pure use separately.

$$\text{Aggregate ARV (Rs)} = (\text{ARV (Rs) of portion 1}) + (\text{ARV (Rs) of portion 2}) + (\text{ARV (Rs) of portion 3}) \dots\dots\dots$$

5) **Step 5:** Calculate tax by multiplying the above aggregate ARV by the respective rate of tax as notified by the Board for the reference year. From this deduct any rebates and add penalty.

$$\text{Tax Payable (Rs)} = (\text{ARV} \times \text{Rate of tax}) - \text{Rebates applicable} + \text{Penalty}$$

17 State government buildings:

The state government holdings (civil stations) would be treated at par with other holdings in matters of tax assessment and calculation of liability.

18 Central government holdings:

The central government buildings would be treated at par with other holdings in matters of tax assessment and calculation of liability. But they would pay service charge in lieu of tax as per the order of the Government of India from time-to-time. Currently it is 75 percent of the assessed tax as the SMB provides all the civic services in the area.

19 Appointment of architects:

The taxpayer may seek help from empanelled architects registered under the Architects Act 1972 (20 of 1972) or any licensed architect for measurement of covered space and other holding attributes to assist owner (occupier) if they require such assistance. The architect would certify all the declared attributes and measurement and would provide necessary information, if required by the Board. A list of such architects registered with the Board who can be contacted for measurement and certification of the covered space in case the covered space is not readily available has to be placed on the website of the Board. Such architects can be paid a negotiable fee agreed between both the parties.

20 Penalty for default and willful wrong declaration:

Where a tax payer does not give information in regard to his/her holding as required under the law or where he/ she has willfully furnished wrong information in his/ her PTR submitted to the SMB, he/ she shall be liable to pay

- 200% of the amount of tax suppressed, and
- Interest at a rate of 2% per month payable for late payment.

The CEO shall have powers of *suo motto* assessment or revision in cases where a tax return has not been filed or the tax return filed by the owner is found to be defective. In all such cases the assessment would be finalized after giving a fair opportunity to the owner for being heard.

21 Mode of payment of property tax:

The taxpayer may deposit the tax through various channels of payments including online payment, Bank, office of the Board, etc.

22 Institutional mechanism for redressal of grievance on group and individual property tax issues:

The redressal of grievances of aggrieved taxpayers would be addressed through following mechanism:

Individual grievance redressal and appeal mechanism:

The grievances of the taxpayers would be heard by the CEO at first stage. The CEO would hear the grievance or may nominate a suitable officer of the Board to hear the grievance within thirty days of submission of the grievance by the taxpayer. After given the taxpayer a due opportunity to be heard, the CEO shall give the decision within thirty days from the date of first hearing. The taxpayer may appeal to Municipal Taxation Tribunal in case of not being satisfied with the decision of the CEO. Both SMB and the taxpayer would be given an equal opportunity to be heard before the Tribunal. The Tribunal shall give its decision within thirty days from the day of appeal. The aggrieved party has the right to file an appeal in the court of laws against the decision of the Tribunal.

By order of the Governor of Meghalaya