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‘Govt. move on town panchayats will not impact property tax rates’

With the State government revising upwards the classification of 528 town panchayats on the basis of average annual income after 21 years, officials say the move will not have any impact on property tax rates.

The officials say the new classification will only lead to an increase in the size of the operations of the local bodies and better amenities to residents. The need for a higher level of supervision will be recognised, creating the scope for stepping up the strength of manpower.

Notification

As per a notification issued by the Municipal Administration and Water Supply Department last week, the ceiling of average annual income had been changed from Rs. 4 lakh to Rs. 50 lakh for grade-II town panchayats; Rs. 8 lakh to Rs. 1

crore for grade-I and Rs. 16 lakh to Rs. 2 crore for selection grade. In the case of annual income exceeding Rs. 2 crore (previously Rs. 20 lakh), such town panchayats would be assigned special grade.

The break-up of town panchayats as per the revised classification is: special grade-78; selection grade-275; grade I-166 and grade II-nine.

The review of town panchayats would be made once in five years.