

"(g) subject to any special appropriation that may be made by the Minister and the Finance Commission, all grants allocated to the Council by the Minister and the Finance Commission;"

Amendment of section 188 of the principal enactment.

64. Section 188 of the principal enactment is hereby amended in subsection (1) of that section as follows:-

- (1) in paragraph (l) of that subsection, by the substitution for the words "in the aggregate ten thousand rupees", of the words "in the aggregate fifty thousand rupees"; and
- (2) by the insertion immediately after paragraph (pp) of that subsection of the following new paragraph:-

"(ppp) all expenses incurred in the payment of annual membership contributions or subscriptions to any recognized national or international organizations relating to local government affairs;"

Insertion of section 199A in the principal enactment.

65. The following new heading and new section are hereby inserted immediately after section 199 of the principal enactment and shall have effect as section 199A of that enactment:-

"PROVISIONS RELATING TO JOINT VENTURES

Joint Ventures
with Investors
& c.

199A.(1) The Municipal Council may with the prior written approval of the Minister, engage in joint ventures with any person for the carrying out of any function as specified in subsection (1) of section 4.

(2) The municipal Council may, in the discharge of its functions under this section, utilize such sums of money as may be required for such purpose out of the Municipal Fund.

(3) The provisions of Article 154 of the Constitution shall apply in respect of the audit of any Joint Venture established under subsection (1)."

Replacement of section 207A of the principal enactment.

66. Section 207A of the principal enactment is hereby repealed and the following section is substituted therefor:-

"Raising loans by the Municipal Councils.

207A. A loan for the purpose of fulfilling any duty imposed on it or for the carrying out of any work of the Council shall be raised only with the sanction of the Municipal Council. However, where the Municipal Council fails to sanction the raising of a loan for any purpose which the Mayor considers to be necessary, the Mayor may re-submit the proposal for the raising of such loan back to the Council, for its further consideration."

Insertion of new sections 210A, 210B and 210C in the principal enactment.

67. The following new sections are hereby inserted immediately after section 210 of the principal enactment and shall have effect as sections 210A, 210B and 210C of that enactment:-

"General administration for promoting and securing socio-economic development.

210A. (1) Subject to the powers and responsibilities that may be entrusted to any other authority or institution, by law a Municipal Council shall be the general administrative authority for promoting and securing socio-economic development and the planning and utilization of resources within its administrative limits.

(2) The Council shall for the purposes of subsection (1), be entitled to discharge the functions that are specified in the Twelfth Schedule to this Ordinance and to exercise any other powers that may be imposed or assigned on it by any other written law.

(3) The Municipal Council shall, in the exercise, discharge and performance of any power, duty and function under subsection (1) relating to planning, consult and act in collaboration with the Divisional Secretariat, Urban Development Authority and other governmental and non-governmental agencies within its administrative limits.

(4) It shall be the duty of the Municipal Council in all such matters, to supervise and direct the carrying out of measures relating to integrated local planning.

**Development
planning
activities.**

210B. (1) In fulfilling and discharging its responsibilities and functions relating to Development Planning within its administrative limits, a Municipal Council shall in collaboration with the Divisional Secretariat, Urban Development Authority and other governmental and non-governmental agencies within the area -

- (a) formulate a long term perspective plan covering a period of ten years, with special focus on infrastructure development, based on the resources available and the need for further development;
- (b) formulate a medium term development plan in line with the long term perspective plan, covering a period of five years;
- (c) prepare every year an annual development plan for the forthcoming year for the development of the area, in collaboration with the Divisional Secretariat and other relevant governmental and non-governmental agencies within the area;
- (d) submit a final copy of each of the development plans prepared by the Municipal Council to the

Provincial Commissioner for Local Government and the Regional Assistant Commissioner of Local Government for the District, within which the Municipal Council is situated;

- (e) promote active participation of the citizens in the area in the planning process and make use of the Citizen's Committees at village level and community organizations at neighbourhood groups level, to function as the grassroots level planning units; and
- (f) be responsible for coordinating with all relevant agencies in regard to socio-economic development activities undertaken by them and to ensure that all local level development activities within its area are properly integrated.

(2) (a) The Municipal Council shall submit draft copies of the plans referred to in paragraphs (a), (b) and (c) of subsection (1) in the form and manner prescribed, for the observation and concurrence of the Provincial Commissioner for Local Government, (hereinafter in this section referred to as the "Provincial Commissioner").

(b) The Provincial Commissioner may direct the Municipal Council to make changes in the draft development plans on the ground that any sector-wise priorities and criteria given by the Provincial Government had not been followed in the draft development plans or that they have not been prepared in accordance with the provisions of this Ordinance, or any by-laws or rules made thereunder or any Statutes enacted by the relevant Provincial Council.

(c) It shall be the duty of the Municipal Council to make the changes proposed by the Provincial

Commissioner under paragraph (b).

**Physical
planning
activities.**

210C. In fulfilling its responsibilities and functions relating to physical planning within its administrative area, a Municipal Council shall-

- (a) subject to the guidelines and standards provided by national and provincial authorities on physical planning, be the general administrative authority for physical planning within its administrative area;
- (b) formulate zoning schemes and urban development schemes within its administrative area, in consultation with the National Physical Planning Department and the Urban Development Authority, established by the Urban Development Authority Law, No.41 of 1978;
- (c) be responsible for ensuring the implementation of physical plans by facilitating the enforcement of regulatory measures in relation to land utilization;
- (d) ensure that blocking out plans are prepared and have received approval prior to the letting out of any lands;
- (e) be responsible for ensuring that the blocking out of lands is in conformity with the national guidelines on land utilization and also is in compliance with the physical planning procedure adopted in the area; and
- (f) take measures to regulate activities pertaining to the blocking out of lands, by making by-laws particularly providing for the following matters:-

- (i) ensuring that such blocking out of land does not contravene any provisions contained in any law;
- (ii) removing of trees and levelling of land before sale;
- (iii) allocation of ten *per centum* of the extent of blocking out land to the Municipal Council for the purpose of providing common amenities;
- (iv) registration of land developers;
- (v) approval of blocking out plans; and
- (vi) advertising and sale of blocked out plots of land."

**Amendment
of section
218 of the
principal
enactment.**

68. Section 218 of the principal enactment is hereby amended as follows:-

- (1) by the re-numbering of that section as subsection (2) of that section;
- (2) by the insertion immediately before the re-numbered subsection (2) of that section, of the following new subsection:-

"(1) The Minister may make regulations providing for the form in which:-

- (a) all estimates, budgets, statements and returns incidental to the work carried out by a Municipal Council shall be kept;
- (b) the accounts of the Municipal Council shall be kept; and

(c) the books, registers or other documents are required to be kept or used for the purpose of this Ordinance.";

- (3) in the re-numbered subsection (2) of that section, by the substitution for the words "with a statement showing the nature and the amount", of the words "with a statement prepared in the form as specified in subsection (1), showing the nature and the amount".

**Amendment
of section
226 of the
principal
enactment.**

69. Section 226 of the principal enactment is hereby amended as follows:-

- (1) in subsection (3) of that section, by the substitution for the words "within fourteen days after", of the words "within thirty days after";
- (2) in subsection (4) of that section, by the substitution for the words "Upon any such appeal, the Minister shall", of the words "Upon the receipt of any such appeal, the Minister shall within thirty days of its receipt," ;
- (3) in subsection (5) of that section, by the substitution for the words "by the Commissioner", of the words "by the Commissioner of Local Government"; and
- (4) in subsection (6) of that section, by the substitution for the words "the Commissioner within fourteen days", of the words "the Commissioner of Local Government within thirty days".

**Amendment
of section
227 of the
principal
enactment.**

70. Section 227 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended by the substitution for the words "expenditure of not more than fifteen thousand rupees,", of the words "expenditure of not more than fifty thousand rupees,".

**Amendment
of section**

71. Section 228 of the principal enactment, is hereby further amended

228 of the
principal
enactment.

by the substitution for the words "expenditure of more than fifteen thousand rupees," of the words "expenditure of more than fifty thousand rupees,".

Amendment
of section
230 of the
principal
enactment.

72. Section 230 of the principal enactment is hereby amended in paragraph (iii) of the proviso to subsection (2) of that section, by the substitution for the words "all school buildings," of the words "all school buildings under the control and supervision of the Government, a Provincial Council or an Institution of Higher Education including Universities, a Home for children, elders and disabled persons which are approved by the Ministry of the Minister in charge of the subject of Social Services, except premises of fee levying International Schools and other private schools and tutories, ".

Amendment
of section
231 of the
principal
enactment.

73. Section 231 of the principal enactment is hereby amended as follows:-

- (1) by the renumbering of that section as subsection (1) of that section; and
- (2) by the addition immediately after the re-numbered subsection (1) of that section, of the following new subsection:-

"(2) Where any houses, buildings, lands and tenements belonging to the State are not leased or let by it to any person under subsection (1), the State shall pay to the Municipal Council an amount equivalent to the amount of rate or rates leviable in respect of such houses, buildings, lands or tenements, as the case may be.".

Amendment
of section
234 of the
principal
enactment.

74. Section 234 of the principal enactment is hereby amended in subsection (3) of that section, by the substitution for the words "fine not exceeding one thousand rupees," of the words " fine not exceeding ten thousand rupees.".

Amendment
of section

75. Section 245 of the principal enactment is hereby further amended as follows:-

245 of the
principal
enactment.

- (1) by the repeal of subsection (1) of that section and the substitution therefor of the following subsection:-

"245. (1) Every Municipal Council may by resolution adopted in that behalf, levy an annual tax on vehicles and animals kept or used within the Municipality, at such rates as shall be specified by Order published in the *Gazette*.";

- (2) in subsection (3) of that section :-

(a) by the substitution in paragraph (f) of that subsection for the words "such vehicles.", of the words "such vehicles;";

(b) by the addition immediately after paragraph (f) of that subsection, of the following new paragraph :-

"(g) any vehicles subject to a licence duty under section 3 of the Vehicles Ordinance (Chap. 534) or to a tax under any enactment for the time being in force relating to motor vehicles.";

- (3) by the insertion immediately after subsection (3) of that section, of the following new subsections:-

"(3A) Where any person after being informed by notice issued in that behalf by the Council fails to pay the tax imposed under this section, such person shall be guilty of an offence and shall on conviction by the Magistrate Court, be liable to a fine not exceeding five thousand rupees in addition to the payment of the tax which is in arrears.

(3B) Where any person liable to pay a fine imposed under subsection (3A) of this section fails to

pay such fine it shall be recovered by the Court and the amount so recovered shall be paid to the Fund of the Council.”.

**Amendment
of section
246 of the
principal
enactment.**

76. Section 246 of the principal enactment is hereby amended in subsection (1) of that section, by the substitution for the words "on the vehicles and animals specified in the Fourth schedule", of the words "on vehicles and animals,".

**Amendment
of section
247A of the
principal
enactment.**

77. Section 247A of the principal enactment is hereby amended as follows:-

- (1) by the repeal of subsection (2) of that section and the substitution therefor of the following subsection:-

"(2) The duty levied under subsection (1) in respect of any licence issued by the Council authorizing a business as described in this Ordinance or in any by-law made thereunder, shall be determined by the Council according to the annual turnover of the business so licensed and having regard to the :-

- (a) profit that is likely to be earned in such business; and
- (b) essential nature of the goods or services supplied in the course of such business:

Provided that, where the licence duty levied is based on the annual turnover of the business for the year preceding the year in which duty is payable, the duty levied shall, where the annual turnover of the business is as specified in Column I, not exceed the sum as specified in the corresponding entry in Column II of the Schedule set out below, and further the licence duty so levied shall not exceed 0.3 per centum of such annual turnover or fifty thousand rupees, whichever sum is less:

SCHEDULE

<u>Column I</u>	<u>Column II</u>
Annual Turnover of the business	Licence Duty payable (Rs.)
1. Does not exceed Rs.1,250,000/-	3,750/-
2. Exceed Rs.1,250,000/- but does not exceed Rs.2,500,000/-	7,500/-
3. Exceed Rs.2,500,000/- but does not exceed Rs.5,000,000/-	15,000/-
4. Exceed Rs.5,000,000/- but does not exceed Rs.10,000,000/-	30,000/-
5. Exceed Rs.10,000,000/- but does not exceed Rs.15,000,000/-	45,000/-
6. Exceed Rs.15,000,000/-	50,000/-

Provided further that, where such business is in its first year of operation, the duty to be levied shall be determined based on the annual value of the premises in which such business is being carried on and the licence duty payable shall, where the annual value of the premises is as specified in Column I of the Schedule set out below, not exceed the sum as specified in the corresponding entry in Column II and further such licence duty so levied shall not exceed the ratio of 3 : 4 of such annual value (annual value 3 : licence duty 4) or fifty thousand rupees, whichever sum is less.

SCHEDULE

Column I Column II

	Annual Value	Licence Duty payable
1.	Does not exceed Rs.2,250/-	Rs.3,000/-
2.	Exceed Rs.2,250/- but does not exceed Rs.6,000/-	Rs.8,000/-
3.	Exceed Rs.6,000/- but does not exceed Rs.10,500/-	Rs.14,000/-
4.	Exceed Rs.10,500/- but does not exceed Rs.15,000/-	Rs.20,000/-
5.	Exceed Rs.15,000/- but does not exceed Rs.22,500/-	Rs.30,000/-
6.	Exceed Rs.22,500/- but does not exceed Rs.30,000/-	Rs.40,000/-
7.	Exceed Rs.30,000/-	Rs.50,000/-

(2) by the addition immediately after subsection (2) of that section, of the following new subsections:-

“(3) (a) Notwithstanding anything to the contrary contained in any other law, the licence holder shall be required to furnish on or before the thirtieth day of April to the Commissioner of Municipal Council :-

- (i) a copy of the statement of accounts of the business being carried on, of the preceding accounting year; or
- (ii) where the licence holder is liable to declare his income to the Department of Inland Revenue, in terms of the Inland Revenue Act, No.10 of 2006 a copy of the income declaration that was submitted to the Commissioner-General of Inland Revenue.

(b) The failure to furnish the statement or declaration referred to in paragraph (a), shall be an offence punishable with a fine not exceeding fifteen thousand rupees and in case of a continuing offence, to a further fine not exceeding five hundred rupees for each day in which the offence is continued to be committed after conviction.

(c) For the purpose of this section -

the term "business" includes any trade or the business of a manufacturer or of any person taking commission or fees in respect of any transaction or services rendered or the business of an independent contractor, but does not include the occupation of selling articles, goods or materials at a private fair or the occupation of maintaining an educational establishment or school to which grants from State funds are paid or to which such grants were earlier paid but at present are not being paid."

Amendment
of section
247B of the
principal
enactment.

78. Section 247B of the principal enactment is hereby amended as follows:-

- (1) in subsection (1) of that section, by the substitution for the words "on any trade carried on", of the words "on any business carried on";
- (2) by the repeal of subsection (2) of that section, and the substitution therefor of the following subsection:-

"(2) The tax levied under subsection (1) shall be an annual tax determined by the Council based on the annual turnover of the business being carried on and having regard to:-

- (a) profit that is likely to be earned in such

business; and

- (b) essential nature of the goods or services supplied in the course of such business:

Provided that, where the tax so levied is based on the annual turnover of the business for the year preceding the year in which such tax is payable, the tax levied shall, where the annual turnover of the business is as specified in Column I of the Schedule set out below, not exceed the sum as specified in the corresponding entry in Column II thereof and further the tax so levied shall not exceed 0.3 per centum of such annual turnover or fifty thousand rupees, whichever sum is less:

SCHEDULE

<u>Column I</u> Annual Turnover of the business	<u>Column II</u> Tax payable
1. Does not exceed Rs.140,000/-	-Nil-
2. Exceed Rs.140,000/- but does not exceed Rs.1,250,000/-	3,750/-
3. Exceed Rs.1,250,000/- but does not exceed Rs.2,500,000/-	7,500/-
4. Exceed Rs.2,500,000/- but does not exceed Rs.5,000,000/-	15,000/-
5. Exceed Rs.5,000,000/- but does not exceed Rs.10,000,000/-	30,000/-
6. Exceed Rs.10,000,000/- but does not exceed Rs.15,000,000/-	45,000/-
7. Exceed Rs.15,000,000/-	50,000/-

Provided further that, where such business is in its first year of operation, the tax to be levied shall be determined based on the annual value of the premises in which such business is being carried on and the tax so payable shall, where the annual value of the premises is as specified in Column I of the Schedule set out below, not exceed the sum as specified in the corresponding entry in Column II thereof and further the tax so levied shall not exceed the ratio of 3 : 4 of such annual value (annual value 3 : licence duty 4) or fifty thousand rupees, whichever sum is less.

SCHEDULE

<u>Column I</u> Annual value	<u>Column II</u> Tax payable
1. Does not exceed Rs.250/-	-Nil-
2. Exceed Rs.250/- but does not exceed Rs.2,250/-	Rs.3,000/-
3. Exceed Rs.2,250/- but does not exceed Rs.6,000/-	Rs.8,000/-
4. Exceed Rs.6,000/- but does not exceed Rs.10,500/-	Rs.14,000/-
5. Exceed Rs.10,500/- but does not exceed Rs.15,000/-	Rs.20,000/-
6. Exceed Rs.15,000/- but does not exceed Rs.22,500/-	Rs.30,000/-
7. Exceed Rs.22,500/- but does not exceed Rs.30,000/-	Rs.40,000/-
7. Exceed Rs.30,000/-	Rs.50,000/-

- (3) by the insertion immediately after subsection (2) of that section, of the following new subsections:-

“(2A) (a) Notwithstanding anything to the contrary contained in any other law, the licence holder shall be required to furnish on or before thirtieth day of April to the Commissioner of Municipal Council :-

- (i) a copy of the statement of accounts of the business being carried on, of the preceding accounting year; or
- (ii) where the licence holder is liable to declare his income to the Department of Inland Revenue, in terms of the Inland Revenue Act, No.10 of 2006 a copy of the income declaration that was submitted to the Commissioner General of Inland Revenue.

(b) The failure to furnish such statement or declaration, as the case may be, referred to in paragraph (a), shall be an offence punishable with a fine not exceeding fifteen thousand rupees and in case of a continuing offence, to a further fine not exceeding five hundred rupees for each day in which the offence is continued to be committed after conviction.

(2B) The tax imposed under subsection (2) shall not be payable in respect of any business for which a licence is required to be obtained under this Ordinance or under any by-law made thereunder.”;

- (4) in subsection (3) of that section, by the substitution for the words “carries on such trade.”, of the words “carries on such business.”; and
- (5) by the addition at the end of that section, of the following

new subsection:-

“(5) For the purpose of this section, the term “business” shall have the same meaning as given to such term in section 247A.”.

Repeal of
section
247BB of the
principal
enactment.

79. Section 247BB of the principal enactment is hereby repealed.

Amendment
of section
247C of the
principal
enactment.

80. Section 247C of the principal enactment is hereby amended as follows:-

(1) by the repeal of subsection (1) of that section and the substitution therefor of the following subsection:-

“(1) A Municipal Council may by resolution impose and levy annually on every person who within the administrative limits of such Council, carries on any business for which no licence is necessary to be obtained under this Ordinance or under any by-law made thereunder or no tax is required to be paid under section 247B, a tax according to the annual turnover of the business is as specified in Column I, a sum as specified in the corresponding entry in Column II of the Schedule set out below, and further the tax so levied shall not exceed 0.3 per centum of such annual turnover or fifty thousand rupees, whichever sum is less:

SCHEDULE

<u>Column I</u> Annual Turnover of the Business	<u>Column II</u> Tax payable
1. Does not exceed Rs.100,000/-	-Nil-
2. Exceed Rs.100,000/- but does not exceed Rs.1,000,000/-	Rs.2,500/-

3. Exceed Rs.1,000,000/- but does not exceed Rs.5,000,000/-	Rs.7,500/-
4. Exceed Rs.5,000,000/- but does not exceed Rs.10,000,000/-	Rs.20,000/-
5. Exceed Rs.10,000,000/- but does not exceed Rs.15,000,000/-	Rs.30,000/-
6. Exceed Rs.15,000,000/-	Rs.50,000/-

Provided further that, where such business is in its first year of operation, the tax to be levied shall be determined based on the annual value of the premises in which such business is being carried on and the tax so payable shall, where the annual value of the premises is as specified in Column I set out below, not exceed the sum as specified in the corresponding entry in Column II and the licence duty so levied shall not exceed the ratio of 3 : 4 of such annual value (annual value 3: licence duty 4) or fifty thousand rupees, whichever sum is less.

SCHEDULE

<u>Column I</u> Annual value	<u>Column II</u> Tax payable
1. Does not exceed Rs.250/-	-Nil-
2. Exceed Rs.250/- but does not exceed Rs.2,250/-	Rs.3,000/-
3. Exceed Rs.2,250/- but does not exceed Rs.6,000/-	Rs.8,000/-
4. Exceed Rs.6,000/- but does not exceed Rs.10,500/-	Rs.14,000/-
5. Exceed Rs.10,500/- but does not	Rs.20,000/-

exceed Rs.15,000/-

- | | | |
|----|--|-------------|
| 6. | Exceed Rs.15,000/- but does not exceed Rs.22,500/- | Rs.30,000/- |
| 7. | Exceed Rs.22,500/- but does not exceed Rs.30,000/- | Rs.40,000/- |
| 8. | Exceed Rs.30,000/- | Rs.50,000/- |

(2) by the insertion immediately after subsection (1) of that section, of the following new subsections:-

“(1A) (a) Notwithstanding anything to the contrary contained in any other law, the business owner shall be required to furnish on or before thirtieth day of April to the Commissioner of Municipal Council :-

- (i) a copy of the statement of accounts of the business being carried on, of the preceding year; or
- (ii) where the licence holder is liable to declare his income to the Department of Inland Revenue, in terms of the Inland Revenue Act, No.10 of 2006 a copy of the income declaration that was submitted to the Commissioner General of Inland Revenue.

(b) The failure to furnish such statement or declaration, as the case may be, referred to in paragraph(a), shall be an offence punishable with a fine not exceeding fifteen thousand rupees and in case of a continuing offence, to a further fine not exceeding five hundred rupees for each day in which the offence is continued to be committed after conviction:

Provided however, the provisions of this section shall not apply to itinerant vendors who do not carry on business at any fixed place or do not for the

purposes of such business establish themselves on any public road or other public place.

(1B) The tax imposed under subsection (2) shall not be payable in respect of any business for which a licence is required.”;

(3) by the repeal of subsection (1C) of that section and the substitution thereof of the following subsection :-

“(1C) The Municipal Council may by resolution impose and levy annually on every person, company, joint venture and on every person who practices any profession within the administrative limits of such Council, a tax not exceeding such amount as shall be prescribed by the Minister by regulation made in that behalf as the maximum amount of tax which the Council may so impose and levy.”;

(4) in subsection (2) of that section, by the substitution for the words “or subsection (1A)”, of the words “or subsection (1C)”; and

(5) in subsection (3) of that section, by the repeal of all the words beginning from the words “For the purposes of this section-”, to the end of that subsection and the substitution therefor of the following:-

“(4) For the purpose of this section, the term “business” shall have the same meaning as given to such term in section 247A.”.

Insertion of
new section
247CC in
the principal
enactment.

81. The following new section is hereby inserted immediately after section 247C of the principal enactment and shall have effect as section 247CC of that enactment:-

“Levy on
advertisements.

247CC. (1) A Municipal Council may

by resolution determine, impose and levy annually a licence duty in respect of every advertisement displayed or exhibited with the approval of the Council, so as to be visible from any thoroughfare within such Municipal Council area, in the manner as specified in subsection (2).

(2) The tax imposed and levied under subsection (1) shall, where the square area of the advertisement falls within the limits specified in Column I of the Schedule set out below, not exceed the sum specified in the corresponding entry in Column II of that Schedule.

SCHEDULE

<u>Column I</u>	<u>Column II</u>
<u>Square area</u>	<u>Tax imposed</u>
1. Less than 1 sq.m.	Rs.5,000/-
2. 1sq.m. to 3sq.m.	Rs.15,000/-
3. 3 sq.m. to 5 sq.m.	Rs.37,500/-
4. 5 sq.m. to 10 sq.m.	Rs.100,000/-
5. Over 10 sq.m.	as the rate of Rs.20,000/- per sq. Meter

**Amendment
of section
247E of the
principal
enactment.**

82. Section 247E of the principal enactment as amended by the addition at the end of that section of the following new subsections:-

"(3) An auctioneer or a broker or the servant or agent of an auctioneer or a broker, shall be required to furnish on or before the thirtieth day of April of the year following the year in which any land was sold by auction or otherwise, a

statement specifying the commission or fee received or is receivable by him, for any transactions effected in connection with such sale.

(4) An auctioneer or broker or the servant or agent of an auctioneer or broker who fails to furnish the statement as required under subsection (3), shall be guilty of an offence and the Commissioner shall report such failure to the Magistrate Court having jurisdiction over the area of such Municipal Council. On conviction, such person shall be liable to a fine not exceeding fifteen thousand rupees and in the event of a continuing offence, to an additional fine of five hundred rupees for each day in which the offence is continued to be committed after such conviction."

**Amendment
of section
253 of the
principal
enactment.**

83. Section 253 of the principal enactment is hereby amended in subsection (1) of that section, by the substitution for the words "let by the Council at a rental not exceeding thirty rupees a month is not paid", of the words "let by the Council is not paid".

**Amendment
of section
255 of the
principal
enactment.**

84. Section 255 of the principal enactment is hereby amended as follows:-

- (1) in paragraph (b) of that section, by the substitution for the words "not exceeding five cents for every fifty cents of rate", of the words "not exceeding fifty cents for every five rupees of rate";
- (2) in paragraph (c) of that section, by the substitution for the words "not exceeding seventy-five rupees", of the words "not exceeding seven thousand and five hundred rupees";
- (3) in paragraph (d) of that section, by the substitution for the words "not exceeding seventy-five rupees", of the words "not exceeding seven thousand and five hundred rupees"; and
- (4) in paragraph (e) of that section, by the substitution for the

words "not exceeding one rupee on every ten rupees", of the words "not exceeding ten rupees on every hundred rupees".

**Amendment
of section
267 of the
principal
enactment.**

85. Section 267 of the principal enactment is hereby amended in subsection (3) of that section, as follows:-

- (1) in paragraph (a) of that subsection, by the substitution for the words "fine not exceeding one thousand rupees;", of the words "fine not exceeding ten thousand rupees;"
- (2) in paragraph (b) of that subsection, by the substitution for the words "fine not exceeding two thousand rupees;", of the words "fine not exceeding twenty thousand rupees;" and
- (3) in paragraph (c) of that subsection, by the substitution for the words "fine not exceeding two hundred and fifty rupees", of the words "fine not exceeding two thousand five hundred rupees".

**Replacement
of section 268
of the
principal
enactment.**

86. Section 268 of the principal enactment is hereby repealed and the following is substituted therefor:-

**"Approval and
publication of
by-laws.**

268. (1) Any by-law or any amendment, variation or rescission of such by-law under this Ordinance shall not come into effect until it has been approved by the Minister and notification of such approval is published in the *Gazette*.

(2) Every by-law made under this Ordinance shall be published in the *Gazette* with the notification required by subsection (1) and upon such publication, every such by-law purporting so to be made shall, subject to the provisions of section 271A, be as valid and effectual as if such by-law had been enacted in this Ordinance, and every

contravention thereof shall be an offence under this Ordinance.

Insertion of new section 271A in the principal enactment.

87. The following new section is hereby inserted immediately after section 271 of the principal enactment and shall have effect as section 271A of that enactment:-

"By-laws to be brought before Parliament.

271A.(1) Every by-law made under this Ordinance shall as soon as convenient after its publication in terms of section 268, by resolution be placed before Parliament for its approval.

(2) Parliament may either approve or disapprove any by-law placed before it under subsection (1).

(3) Any by-law not approved by Parliament shall be deemed to be rescinded but without prejudice to anything that may have been done or any proceedings that may have been instituted by or under that by-law, prior to such disapproval. Notification of such disapproval shall forthwith be published in the *Gazette* and shall take effect from the date of such publication."

Amendment of section 272 of the principal enactment.

88. Section 272 of the principal enactment is hereby amended as follows :-

(1) in paragraph (1) of that section-

(a) by the substitution in sub-paragraph (b) of that paragraph, for the words "not being posts in the Local Government Service;", of the words "not being posts in the Local Government Service or the Provincial Public Service;" and

(b) by the substitution in sub-paragraph (c) of that paragraph, for the words "and not members of the Local Government Service;", of the words "not being posts in the Local Government Service or the Provincial Public Service;"

(2) by the insertion immediately after paragraph (6) of that section, of the following new paragraph:-

"(6A) Protection of the environment, including:-

- (a) protection of natural resources and the protection and development of scenic resources in the area;
- (b) prevention of water, air and noise pollution;
- (c) protection of built environment and preservation of buildings and creations of cultural and of historical significance;
- (d) prevention of environmental pollution caused from unauthorized industrial, agricultural and livestock activities and unauthorized construction and trading activities;
- (e) promoting solid waste management, with special attention to promoting waste minimization, waste segregation, resource recovery and final disposal, in a healthy and environmentally friendly manner;
- (f) the conservation of all underground springs and water retention areas within the area of operation of the Municipal Council, with the co-operation of all officials and civil

society members resident within such area;
and

(g) educating and bringing awareness among
citizens on environmental protection.”;

(3) by the repeal of paragraph (27) of that section, and the
substitution therefor of the following paragraph:-

“(27) The prohibition or the regulation and
control of advertisements being displayed or exhibited,
so as to be visible from any street, road, canal or lake,
including the ensuring of the protection of moral and
cultural values.”;

(4) by the addition immediately after paragraph (32) of that
section, of the following new paragraphs:-

“(33) Transacting with community organizations, Governmental
Organizations and Non-Governmental Organizations.

(34) Pasting of posters and notices.

(35) Environmental pollution.

(36) Establishment and maintenance of libraries and reading
rooms.

(37) Establishment and maintenance of playgrounds.

(38) Establishment and maintenance of Community Centres.

(39) Establishment and maintenance of Pre-Schools and day care
centres.

(40) Establishment and maintenance of Ayurvedic Dispensaries.”.

**Amendment
of section
305 of the
principal
enactment.**

89. Section 305 of the principal enactment is hereby further amended
in the proviso to the subsection (1) of that section, by the substitution for
the words “exceed the sum of one thousand rupees”, of the words “exceed
the sum of ten thousand rupees”.

**Amendment
of section
317 of the
principal
enactment.**

90. Section 317 of the principal enactment is hereby amended in subsection (1) of that section, by the substitution for the words "affairs of the Council in each year and the Mayor shall", of the words "affairs of the Council in each year on or before the 31st of March of the following year and the Mayor shall".

**Amendment
of section
325 of the
principal
enactment.**

91. Section 325 of the principal enactment is hereby amended by the repeal of subsection (3) of that section and the substitution therefor of the following subsection:-

"(3) For the purpose of this section "local authority" means any Municipal Council, Urban Council or a Pradeshiya Sabha and includes any authority established by or under any law to exercise, perform and discharge powers, duties and functions corresponding to or similar to the powers, duties and functions exercised, performed and discharged by any such Council or Sabha."

**Repeal of
the Fourth
Schedule.**

92. The Fourth Schedule to the principal enactment is hereby repealed.

**Addition of
the Twelfth
Schedule to
the principal
enactment**

93. The following new Schedule is hereby added at the end of the Eleventh Schedule to the principal enactment and shall effect as the Twelfth Schedule to that enactment :-

"TWELFTH SCHEDULE [Section 210A]

FUNCTIONS PERTAINING TO SOCIO-ECONOMIC DEVELOPMENT

1. Local agriculture, including agricultural extension.
2. Land improvement, implementation of land reforms, land consolidation and soil conservation.
3. Local minor irrigation, local water management and watershed development.

4. Animal husbandry, dairying and poultry.
5. Local fisheries.
6. Local Level social forestry and farm forestry.
7. Local level minor forest produce.
8. Small scale local industries, including food processing industries.
9. Village and cottage industries.
10. Rural housing and housing for low income groups.
11. Drinking water.
12. Roads, culverts, bridges, ferries, waterways and other means of local transportation.
13. Rural electrification, including distribution of electricity.
14. Non-conventional energy sources.
15. Poverty alleviation programme.
16. Facilitation for education.
17. Technical training and vocational education.
18. Adult and non-formal education.
19. Public libraries.
20. Cultural and religious activities.
21. Markets and fairs.
22. Health and sanitation, primary health centres, dispensaries and other divisional health institutions, development of indigenous systems of medicine and health care.
23. Family welfare.

24. Women and child development.
25. Social welfare, including welfare of the handicapped and mentally retarded.
26. Maintenance of community assets.
27. Public parks and open spaces.
28. Promote local tourism,
29. Protection of local environmental and natural resources.
30. Local Eco-tourism.
31. Local level socio-economic planning.
32. Local level physical planning."

Sinhala text to
prevail in the
case of
inconsistency.

94. In the event of an inconsistency between the Sinhala and Tamil texts of this Act, the Sinhala text shall prevail.