

AN ACT TO AMEND THE MUNICIPAL COUNCILS ORDINANCE

Be it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows:-

Short Title

1. This Act may be cited as the Municipal Councils (Amendment) Act, No....of 2011.

Amendment of section 4 of Chapter 262.

2. Section 4 of the Municipal Councils Ordinance (hereinafter referred to as the "principal enactment") is hereby amended as follows:-

(1) by the re-numbering of that section as subsection (1) of that section;

(2) in the renumbered subsection (1) of that section, by the substitution for the words "limits of the Municipality, charged with the", of the words "limits of the Municipality and shall engage in socio-economic development activities **and in the protection and promotion of environment within such area** and be charged with the"; and

(3) by the addition at the end of that section, of the following new subsection:-

"(2) In addition to the functions specified in subsection (1) of this section, a Municipal Council may also have the authority to engage itself in public business enterprises in collaboration with the private sector and with non-governmental organizations."

Amendment of section 14 of the principal enactment.

3. Section 14 of the principal enactment as amended by Law No. 24 of 1977, is hereby further amended as follows:-

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

“(b) Notwithstanding the vacation or resignation of any person from the

post of Chairman, or Vice Chairman, as the case may be, such person may continue to hold office as a member of the Council unless he expressly resigns from such membership.”

- (2) by the repeal of subsection (7) of that section and the substitution therefor of the following subsection:-

(7) Whenever the office of Mayor or Deputy Mayor of a Municipal Council falls vacant, such vacancy shall be filled in the manner provided in the Local Authorities Elections Ordinance (Cap. 262).”.

Amendment of section 18 of the principal enactment

4. Section 18 of the principal enactment as amended by Law No. 24 of 1977, is hereby further amended by the substitution for the words "to be held at the Municipal office.", of the words " to be held at the Municipal office. Such special meeting shall be convened by the Mayor within seven days of the receipt of the said requisition and be held within a period not exceeding fourteen days of the receipt of such requisition.".
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Replacement of section 25 of the principal enactment.

5. Section 25 of the principal enactment is hereby repealed and the following section is substituted therefor:-

"Minutes of the proceedings.

25. (1) Minutes of proceedings of every meeting of an Municipal Council shall be drawn up in an appropriate manner and entered in a record book kept for that purpose.

(2) The proceedings of each meeting referred to in subsection (1) shall be signed by the Mayor, Deputy Mayor or the other presiding Council member. All such proceedings shall thereafter be taken to be the minutes of the original proceedings and a copy or extract thereof shall be admissible in any court, as *prima facie evidence* of the matters stated therein.

(3) The record book shall be kept

open at the Municipal Council office during office hours, for the inspection free of charge by the members of the Municipal Council and by the general public on payment of rupees twenty five.”

Replacement of section 26 of the principal enactment.

6. Section 26 of the principal enactment is hereby repealed and the following section is substituted therefor:-

“Appointment of Standing Committees.

26. (1) Every Municipal Council shall in each year at its first general meeting or at any subsequent successive meeting, elect and appoint a Standing Committee on Finance and not less than four other Standing Committees, consisting of members of the Council and partly of knowledgeable citizens permanently residing within the administrative limits of such Urban Council.

(2) The main function of a Standing Committee shall be to advice the Council with reference to any of the powers, duties or responsibilities of the Council or any matter under the consideration of the Council.

(3) Notwithstanding the provisions of subsection (1), the Council may at its first general meeting, by resolution, adjourn the appointment of the Standing Committees to the second general meeting of the Council. The provisions relating to the electing and appointment of Standing Committees specified in this section and in section 29A shall apply to such adjourned election, subject only to any modifications that may be effected by such resolution.

(3) The Mayor shall not be eligible for election to any Standing Committee.

Insertion of new section 26A, 26B, 26C and 26D in the principal enactment.

7. The following new sections are hereby inserted immediately after section 26 of the principal enactment and shall have effect as sections 26A, 26B, 26C and 26D of that enactment:-

**"Members of
the Standing
Committees"**

26A. (1) Every Standing Committee other than the Standing Committee on Finance shall consist of six Councillors and of a maximum of six knowledgeable citizens. The Standing Committee on Finance shall consist of five Councillors, and the Mayor of the Council who shall be an *ex-officio* member and a maximum of six knowledgeable citizens. If during the year any vacancy occurs in any Standing Committee, the Municipal Council, subject to the requirements specified in this subsection, elect a member to fill the vacancy.

(2) The appointment of knowledgeable citizens to the Standing Committees shall be done through resolutions passed by the Municipal Council and in making such appointments, preference shall be given to selecting representatives of Rate Payers Associations, Environment Protection Societies, Private Sector Organizations and such other similar organizations, which are operating within the respective Municipal Council area.

(3) Those knowledgeable citizens appointed as members of any Standing Committee, shall have no voting rights.

(4) The knowledgeable citizens who are appointed to Standing Committees shall be persons who are proficient and experienced in the subject assigned to each Committee. At least three of the knowledgeable citizens appointed to a standing committee shall be women and at least three shall be young citizens below the age of thirty years.

(5) A knowledgeable citizen shall not be appointed to more than one standing committee at a given time period.

(6) In the event of any vacancy occurs in any standing committee during any year, the Urban Council shall at a general meeting elect a member

to fill the vacancy, having regard to the provisions of this section.

**“Joint
Standing
Committees”**

26B. (1) For the purpose of any matter in which any Municipal Council is jointly interested with any other local authority, it may make arrangements by mutual consent with such other local authority, for the constitution of a Joint Standing Committee.

(2) A Joint Standing Committee referred to in subsection (1) shall consist of members appointed by the Municipal Council, from among the elected members of the Municipal Council and of the other local authority concerned and of prominent citizens living within the Municipal Council area.

(3) The Municipal Council shall delegate to any Joint Standing Committee constituted under subsection (1), any of its powers or duties, other than the power to raise any loan, to levy any rate or to impose any tax.

**Election of
Councillors to
Standing
Committees,
Chairman of
Standing
Committees
etc.,**

26C. (1) A Councillor other than the Mayor shall not be eligible to be elected to two Standing Committees, until every other Councillor has been elected to at least one Standing Committee and likewise no such Councillor shall be eligible to be elected to three Standing Committees until every other Councillor has been elected to at least two Standing Committees.

Provided that, no such Councillor shall be eligible to be elected to four Standing Committees until every other Councillor has been elected to at least three Standing Committees and in any event a Councillor shall not be eligible to be elected to more than four Standing Committees.

(2) The Mayor shall *ex-officio* be the Chairman of the Standing Committee on Finance, but every other

Standing Committees shall at its first meeting, elect by ballot its own Chairman from among its members.

(3) The Mayor may be present and may speak but not vote at the meetings of the Standing Committees, other than the Standing Committee on Finance. Whenever the Mayor is present at any meeting of a Standing Committee, he shall preside at such meeting and may both speak and vote at every joint Standing Committee on Finance and any other joint Standing Committee or Committees.

(4) Where the Mayor is absent from any meeting of the Standing Committee on Finance or from any Joint Standing Committee on Finance or from any other Standing Committee or Committees or in the absence of a Chairman at any such Standing Committee or Committees, the Committee concerned shall elect a Chairman for the particular meeting, from among the members present at such meeting.

(5) No business shall be transacted at any meeting of a Standing Committee unless the prescribed quorum is present. Until a by-law is made by the Council prescribing the quorum for any meeting of a Standing Committee or for a any joint meeting of two or more Standing Committees, one third of the total number of the Council Members of such Committee or Committees, as the case may be, shall constitute a quorum for the meeting:

Provided that for a joint meeting of two or more Standing Committees, at least one Council member of each Standing Committee joining, should be present.

(6) Where one-third of such number is an integer and fraction, the integer immediately higher to that integer and fraction shall be deemed to be the one-third for the purpose of this section.

(7) All matters or concerns authorized to be decided by Standing Committees by or under this Ordinance, shall be decided by the majority of the Council Members present and voting at any meeting. Where the votes of such members present are equally divided in regard to any concerns raised the person who is presiding at such meeting or meetings shall, in addition to his own vote as a member of the Committee, have a casting vote.

(8) No financial matter shall be finally dealt with by a Municipal Council unless such matter has been first dealt with and reported on by the Standing Committee on Finance.

(9) (a) All matters presented to the Municipal Council should be channelled through the Standing Committees.

(b) Notwithstanding the provisions of paragraph (a) any matter may be presented directly to the Urban Council in urgent and unavoidable circumstances. Such matter shall be presented to the meeting of the relevant Standing Committee to be held immediately after the Council meeting.

(10) Every meeting of a Standing Committee of a Municipal Council, shall be held at the Municipal Council office or any other place as the Committee may decide.

Powers, duties and functions of Standing Committees.

26D. (1) Every Standing Committee shall exercise, perform and discharge such powers, duties and functions as are delegated to it by the Council or otherwise conferred, imposed or vested in it.

(2) The subject matter to be assigned to each Standing Committees appointed under subsection (1) of section 26 of this Ordinance other than the Standing Committee on Finance, shall be suitably defined by

the Municipal Council.

(3) The subject matters of all the Standing Committees shall, wherever appropriate, be grouped together in order so that closely related subjects may be dealt with by one single Standing Committee.

(4) Any Standing Committee shall have the power to call upon any officer of the Urban Council and shall have access to the books, deeds, contracts, accounts, vouchers and other documents and papers of the Urban Council at a meeting of a Standing Committee.

Insertion of new section 33A in the principal enactment.

8. The following new section is hereby inserted immediately after section 33 of the principal enactment and shall have effect as section 33A of that enactment:-

"Citizens Charter.

33A. (1) Every Municipal Council shall formulate a Citizens Charter in consultation with the rate payers and civil society organizations within its administrative limits, containing information relating to the different types of services that are rendered by such Municipal Council to the citizens, the conditions subject to which and the time limit during which such services are provided and publish the same as the Citizens Charter of such Municipal Council.

(2) A Citizens Charter of a Municipal Council shall be reviewed and updated at least once in every year.

(3) Minister may make rules in respect of the functioning and implementation of a citizens charter. ”.

Amendment of section 40 of the principal enactment.

9. Section 40 of the principal enactment as last amended by Act No.19 of 1987, is hereby further amended in subsection (1) of that section as follows:-

(1) by the repeal of paragraph (kk) of that subsection and the

substitution therefore of the following paragraph:-

(kk) to exercise, perform and discharge any power, duty or function delegated to it by the Provincial Council established for the relevant Province within the limits of which the Municipality is situated and to implement any work or scheme assigned to it for implementation by such Provincial Council;"

(2) in paragraph (uuu) of that subsection, by the insertion immediately after sub-paragraph (ii) of that paragraph, of the following new sub-paragraphs:-

(iii) to engage in **income generating** activities relating to the promotion of local tourism and in projects on eco-tourism and to credit any revenue earned from such activities to the Municipal Fund established under section 185 of this Ordinance;

(iv) to utilize any part of the Municipal Fund for **facilitating the establishment** and maintainance Ayurvedic dispensaries, clinics, medical gardens and herbaria, manufacture of Ayurvedic drugs, and **promote** indigenous systems of health care:

For the purpose of this subparagraph, "Ayurvedic" include unani and siddhi system of treatment;"

Amendment of section 46 of the principal enactment.

10. Section 46 of the principal enactment is hereby amended as follows:-

(1) by the re-numbering of that section as subsection (1) of that section;

(2) in the re-numbered subsection (1) of that section, by the addition immediately after paragraph (f) of that sub-

section, of the following new paragraph:-

" (g) to protect the environment and prevent pollution taking place within the limits of the Municipality."; and

- (3) by the addition at the end of the re-numbered subsection (1) of that section, of the following new subsection:-

"(2) In the performance of the duty entrusted under paragraph (g) of subsection (1), a Municipal Council within any Province may together with any other local authorities of that Province, formulate a corporate plan with the advice of any expert in that field, for any activity which has marginal advantages by common execution."

Amendment of section 55 of the principal enactment.

11. Section 55 of the principal enactment is hereby amended as follows:-

- (1) by the substitution for the words "of the Municipal Council to throw upon any lands adjacent", of the words "of the Municipal Council, having due regard to the damage that may be caused to the environment as a result, throw upon any land adjacent"; and

- (2) by the substitution for the words "remove from the place of any such work.", of the following words:-

"remove from the place of any such work:

Provided that all the earth, rubbish or material thrown upon any adjacent land by the proper officer shall be removed by him from such land within seven days .".

Replacement of section 63 of the principal enactment.

12. Section 63 of the principal enactment is hereby repealed and the following section is substituted therefor:-

"Public vehicular communications.

63. A Municipal Council may organize and maintain by itself or in collaboration with any other local authority and its own

officers or by agreement with any promoter or promoters, in the manner determined under section 62, any form of public vehicular communication to provide a better and competitive transport service for the inhabitants of any area within the administrative limits of such Council and such of the local authorities with whom the Council collaborated, subject to such prohibitions or restrictions on the organization and maintenance of that form of communication, as may be imposed by any other law."

Amendment of section 73 of the principal enactment.

13. Section 73 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended in subsection (2) of that section, by the substitution for the words "fine not exceeding five hundred rupees.", of the words "fine not exceeding ten thousand rupees."

Amendment of section 74 of the principal enactment.

14. Section 74 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended in subsection (2) of that section, by the substitution for the words "fine not exceeding five hundred rupees." of the words "fine not exceeding ten thousand rupees."

Amendment of section 78 of the principal enactment.

15. Section 78 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended by the substitution for the words "fine not exceeding five hundred rupees, and in case of a continuing offence, to an additional fine not exceeding two hundred and fifty rupees for each day", of the words " fine not exceeding ten thousand rupees and in case of a continuing offence, to an additional fine not exceeding one thousand rupees for each day".

Amendment of section 79 of the principal enactment.

16. Section 79 of the principal enactment as amended by Act, No. 39 of 1986 is hereby further amended by the substitution for the words "fine not exceeding five hundred rupees.", of the words "fine not exceeding ten thousand rupees."

Amendment of section 81 of the principal enactment.

17. Section 81 of the principal enactment as amended by Act, No. 39 of 1986 is hereby further amended by the substitution for the words "fine not exceeding five hundred rupees,", of the words "fine not exceeding ten thousand rupees,".

Amendment of section 83 of the principal enactment.

18. Section 83 of the principal enactment as amended by Act, No. 39 of 1986 is hereby further amended as follows:-

- (1) in subsection (1) of that section, by the substitution for the words "fine not exceeding five hundred rupees;", of the words "fine not exceeding ten thousand rupees:";
- (2) in subsection (2) of that section, by the substitution for the words "fine not exceeding five hundred rupees;", of the words "fine not exceeding ten thousand rupees:";
- (3) in subsection (3) of that section, by the substitution for the words "fine not exceeding five hundred rupees, and in case of continuing offence, to an additional fine not exceeding two hundred and fifty rupees", of the words "fine not exceeding ten thousand rupees and in case of continuing offence, to an additional fine not exceeding one thousand rupees"; and
- (4) in subsection (4) of that section, by the substitution for the words ' fine not exceeding five hundred rupees.', of the words "fine not exceeding ten thousand rupees.".

Amendment of section 85 of the principal enactment.

19. Section 85 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended by the substitution for the words "fine not exceeding five hundred rupees.", of the words "fine not exceeding ten thousand rupees.".

Amendment of section 93 of the principal enactment.

20. Section 93 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended by the substitution for the words "fine not exceeding five hundred rupees.", of the words "fine not exceeding ten thousand rupees.".

Insertion of new section 98A in the principal enactment.

21A. The following new section is hereby inserted immediately after section 98 of the principal enactment and shall have effect as section 98A of that enactment:-

"Flow of certain matter through drains to be an offence.

98A. Every person who permits any factory refuse, hospital refuse or any hazardous matter to flow through a public drain or culvert, gutter or watercourse, shall be guilty of an offence and on conviction shall be liable to a fine not exceeding ten thousand rupees and in case of a continuing offence, to an additional fine not exceeding two thousand five hundred rupees for each day during which the offence is continued to be committed after such conviction .”.

Insertion of new section 98B in the principal enactment..

21B. The following new section is hereby inserted immediately after section 98A of the principal enactment and shall have effect as section 98B of that enactment:-

“Penalty for unauthorized drains &c.

98B. (1) Whoever within the administrative limits of an Municipal Council –

(a) makes or construct any drain leading into any of the public sewers or drain without prior written approval of the Municipal Council; or

(b) flows or causes to be flown any factory refuse hospital refuse or any other hazardous matter through a public drain, culvert or water cause,

commits an offence.

(2) The Municipal Council shall require in writing the person contravenes the provisions of subsection (1) to demolish, alter or remade such drain or stop the illegal activities referred to in paragraph (b) of subsection (1) forthwith.

(3) Where a person disobeys or ignores the written notice under subsection (2), the Municipal Council shall -

(2) demolish alter or remade the drain of

stop the illegal activities as the Council may deem appropriate; and

(3) institute legal proceedings in the Magistrates Court against such person.

(4) A person convicted of an offence by the Magistrates Courts at a legal proceedings instituted against him shall be liable to a fine not exceeding ten thousand rupees and to pay the Council the expenses incurred by such Council for the restoration activities referred to in paragraph (a) of subsection (3).

Amendment of section 101 of the principal enactment.

22. Section 101 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended by the substitution for the words "fine not exceeding five hundred rupees and, in case of a continuing offence, to an additional fine not exceeding two hundred and fifty rupees for each day", of the words " fine not exceeding ten thousand rupees and in case of a continuing offence, to an additional fine not exceeding one thousand rupees for each day".

Amendment of section 102 of the principal enactment.

23. Section 102 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended by the substitution for the words "fine not exceeding five hundred rupees and, in case of a continuing offence, to an additional fine not exceeding one hundred rupees for each day", of the words " fine not exceeding ten thousand rupees and in case of a continuing offence, to an additional fine not exceeding one thousand rupees for each day".

Amendment of section 103 of the principal enactment.

24 Section 103 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended in subsection (1) of that section, by the substitution for the words "fine not exceeding one thousand rupees and, in case of a continuing offence, to an additional fine not exceeding two hundred and fifty rupees for each day", of the words " fine not exceeding ten thousand rupees and in case of a continuing offence, to an additional fine not exceeding two thousand five thousand rupees for each day".

Amendment of section 104 of the principal

25. Section 104 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended in subsection (1) of that section,

enactment. by the substitution for the words "fine not exceeding one thousand rupees and, in case of a continuing offence, to an additional fine not exceeding two hundred and fifty rupees for each day", of the words "fine not exceeding ten thousand rupees and in case of a continuing offence, to an additional fine not exceeding two thousand five hundred rupees for each day".

Amendment of section 105 of the principal enactment. **26.** Section 105 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended in subsection (2) 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 106 of the principal enactment. **27.** Section 106 of the principal enactment as amended by Act, No. 36 of 1986, is hereby further amended in subsection (2) of that section, by the substitution for the words "fine not exceeding two thousand five hundred rupees.", of the words "fine not exceeding fifteen thousand rupees."

Amendment of section 107 of the principal enactment. **28.** Section 107 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended in subsection (2) 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 108 of the principal enactment. **29.** Section 108 of the principal enactment as amended by Act, No. 39 of 1986 is hereby further amended in subsection (3) of that section, by the substitution for the words "fine not exceeding five hundred rupees.", of the words "fine not exceeding ten thousand rupees."

Amendment of section 109 of the principal enactment. **30.** Section 109 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended in subsection (11) of that section, by the substitution for the words "fine not exceeding five hundred rupees.", of the words "fine not exceeding ten thousand rupees."

Amendment of section 110 of the principal enactment. **31.** Section 110 of the principal enactment as amended by Act, No. 39 of 1986 is hereby further amended as follows:-

- (1) in subsection (5) of that section, by the substitution for the words "fine not exceeding one thousand rupees;" and of the words "fine not exceeding two hundred and fifty rupees", of the words "fine not exceeding ten thousand rupees" and of the words "fine not exceeding two thousand five hundred

rupees", respectively; and

- (2) in subsection (7) 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 111 of the principal enactment.

32. Section 111 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended in subsection (4) of that section, by the substitution for the words "fine not exceeding one thousand rupees;" and for the words "fine not exceeding two hundred and fifty rupees", of the words "fine not exceeding ten thousand rupees;" and of the words "fine not exceeding five hundred rupees", respectively.

Amendment of section 112 of the principal enactment.

33. Section 112 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended as follows:-

- (1) in subsection (4) of that section, by the substitution for the words "fine not exceeding five hundred rupees.", of the words "fine not exceeding ten thousand rupees."; and
- (2) in subsection (6) of that section, by the substitution for the words "fine not exceeding five hundred rupees.", of the words "fine not exceeding ten thousand rupees."

Amendment of section 113 of the principal enactment.

34. Section 113 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended in subsection (2) 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 115 of the principal enactment.

35. Section 115 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended in subsection (2) of that section, by the substitution for the words "fine not exceeding five hundred rupees" and for the words "fine not exceeding two hundred and fifty rupees", of the words "fine not exceeding ten thousand rupees" and of the words "fine not exceeding two thousand five hundred rupees", respectively.

Amendment of section 116 of the principal enactment.

36. Section 116 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended as follows:-

- (1) in subsection (1) of that section, by the substitution for the

words "fine not exceeding five hundred rupees;" and for the words "fine not exceeding two hundred and fifty rupees", of the words "fine not exceeding ten thousand rupees;" and of the words "fine not exceeding two thousand five hundred rupees", respectively; and

- (2) by the addition at the end of that section, of the following new subsection:-

"(3) Where any person constructs or connects any new provision to a main drain or a pipe line belonging to the Municipal Council or to a main drain or pipe line belonging to any other person, without the prior written permission of the Council or the Commissioner or any officer duly authorized in that behalf, the Council shall have the power to disconnect such illicit construction or connection after giving twenty-four hours notice to the person concerned. The Council shall thereafter by notice issued in that behalf, call upon the person responsible to pay such sum as shall be specified in the notice, being the amount incurred by the Council as cost in disconnecting such illicit construction or connection, within such time as shall be specified in the notice. A person who fails to make the required payment within the time specified, shall be guilty of an offence and shall on conviction be liable to a fine not exceeding ten thousand rupees."

Amendment of section 117 of the principal enactment.

37. Section 117 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended as follows:-

- (1) in subsection (1) of that section, by the substitution for the words "foul liquids or faecal matter", of the words "foul liquids, industrial refuse or faecal matter"; and
- (2) in subsection (6) of that section, by the substitution for the words "fine not exceeding five hundred rupees;" and for the words "fine not exceeding two hundred and fifty rupees", of the words "fine not exceeding ten thousand rupees;" and of the words "fine not exceeding two thousand five hundred rupees", respectively.

Amendment of section 118 of the principal enactment.

38. Section 118 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended as follows:-

- (1) in subsection (2) of that section, by the substitution for the words "fine not exceeding five hundred rupees.", of the words "fine not exceeding ten thousand rupees."; and
- (2) by the addition at the end of that section of the following new subsection:-

"(3) In any case where the drain, sewer or pipe line concerned is constructed or connected to the main drain or pipe line belonging to the Council or is constructed or connected to the main pipe line belonging to another person, without the written permission of the Council, the Commissioner or any officer duly authorized in that behalf shall have the authority to disconnect such illicit construction or connection, as the case may be, upon granting twenty-four hours notice to such person. However where there exists a possibility of making such drain, sewer or pipe line lawful and the person concerned after being issued with a notice to make it so neglects to do it, the Council shall have the authority to attend to the required work and to recover from the person concerned, the cost incurred by the Council in carrying out such work."

Amendment of section 119 of the principal enactment.

39. Section 119 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended in subsection (3) of that section, by the substitution for the words "fine not exceeding two thousand rupees.", of the words "fine not exceeding ten thousand rupees."

Amendment of section 120 of the principal enactment.

40. Section 120 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended in subsection (2) 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 121 of the principal enactment.

41. Section 121 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended in subsection (2) of that section, by

the substitution for the words "fine not exceeding five hundred rupees;" and for the words "fine not exceeding two hundred and fifty rupees", of the words "fine not exceeding twenty five thousand rupees;" and of the words " fine not exceeding two thousand five hundred rupees", respectively.

Amendment of section 124 of the principal enactment.

42. Section 124 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended as follows:-

- (1) by the substitution for the words "fine not exceeding two hundred and fifty rupees", of the words "fine not exceeding two thousand rupees"; and
- (2) by the substitution for the words "overcrowding shall continue.", of the following words:-

" overcrowding shall continue:

Provided that the Council shall in taking action under this section, give serious consideration to the housing problems that may be prevailing in that area and take such action only in cases where there is a serious health hazard to the occupiers of the house concerned or to the neighbourhood in general."

Amendment of section 127 of the principal enactment.

43. Section 127 of the principal enactment as amended by Act, No. 39 of 1986 is hereby further amended in subsection (3) of that section, by the substitution for the words "fine not exceeding two hundred and fifty rupees", of the words "fine not exceeding one thousand rupees".

Replacement of heading appears under Part IV and immediately before section 129 of the principal enactment.

44. The following new heading is substituted for the heading "CONSERVANCY AND SCAVENGING" appearing in Part IV of the principal enactment :-

"ENVIRONMENTAL PROTECTION"

Replacement of sections 129, 130 and 131 of the principal enactment.

33. Section 129, 130 and 131 of the principle enactment is hereby repealed and the following section is substituted therefor :-

"Municipal Council to be

129. (1) The Municipal Council shall, subject to any

responsible
for protecting
environment.

responsibilities and powers that may be conferred on it by any law, be the general administrative authority for the purpose of promoting and protecting environment within its administrative limits.

(2) In fulfilling the responsibility entrusted to a Municipal Council under subsection (1), am Municipal Council shall, in compliance with any guidelines or criteria formulated by the Central Environmental Authority, take measures to prevent any damage being caused to the environment from :-

- (a) the disposal of solid and liquid refuse;
- (b) polythene decorations, banners, and advertisements;
- (c) unauthorized display of bill boards, banners and posters;
- (d) unauthorized removal of earth, clay, sand and rocks from areas around and outside waterways;
- (e) filling of lands, low land and marshy lands; and
- (f) haphazard location of industries.”.

Duty of
Council, as to
conservancy
and
scavenging.

130. (1) It shall be the duty of the Municipal Council of each town, so far as is reasonably practicable, to take all necessary measures in every part of the town –

- (a) for properly sweeping and cleaning the streets including the foot-ways, and for collecting and removing all street refuse;
- (b) for securing the due removal at proper periods of all house refuse, and the due cleansing and emptying at proper periods of all latrines and cesspits; and

for the proper disposal of all street refuse, house refuse,

and night-soil.

(2) All street refuse, house refuse, night-soil, or other similar matter collected by any Municipal Council under the provisions of this Part shall be the property of the Council, and the Council shall have full power to sell or dispose of all such matter.

(3) Every Municipal Council shall from time to time provide places convenient for the proper disposal of all street refuse, house refuse, night-soil, and similar matter removed in accordance with the provisions of this Part, and for keeping all vehicles, animals, implements, and other things required for that purpose or for any of the other purposes of this Ordinance, and shall take all such measures and precautions as may be necessary to ensure that no such refuse, night-soil, or similar matter removed in accordance with the provisions of this Part is disposed of in such a way as to cause a nuisance.

By-laws to
be made for
promoting
waste
management
etc.,.

131. (1) The Municipal Council shall, in keeping with the National Policy on Solid Waste and its Strategies and with a view to promoting waste minimization, waste segregation and resource recovery against waste, make by-laws to :-

- (a) promote composting of bio-degradable waste and releasing it back to the environment in a health and environmental friendly manner;
- (a) provide for taking all necessary measures to encourage resource recovery from recyclable waste materials, such as paper, plastics, mettles and glass;
- (c) provide for taking all necessary measures to minimize the adverse effects and damage being caused to the

environment, such as pollution of water, soil and air; and

- (d) use the most safety methods such as sanitary land filling, for the purpose of final disposal of waste in order to reduce adverse impact on environment.

(2) Any person who is found dumping litter, garbage, building debris, sand, soil or branches of trees or make space to hoist flags, buntings, banners, posters or permits pasting shall be guilty of an offence under this Ordinance and on conviction be liable to fine not exceeding two thousand rupees.”.

Amendment of section 134 of the principal enactment.

46. Section 134 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended by the substitution for the words "fine not exceeding one hundred rupees.", of the words "fine not exceeding two thousand rupees.".

Amendment of section 135 of the principal enactment.

47. Section 135 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended in subsection (2) of that section, by the substitution for the words "fine not exceeding five hundred rupees.", of the words "fine not exceeding ten thousand rupees.".

Amendment of section 136 of the principal enactment.

48. Section 136 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended by the substitution for the words "fine not exceeding five hundred rupees," and for the words "fine not exceeding one hundred rupees", of the words "fine not exceeding ten thousand rupees," and of the words "fine not exceeding five hundred rupees", respectively.

Amendment of section 136A of the principal

49. Section 136A of the principal enactment as amended by Act, No.

enactment. 39 of 1986, is hereby further amended in paragraph (a) of subsection (2) of that section, by the substitution for the words "twice the fee payable", of the words "ten times the fee payable".

Amendment of section 137 of the principal enactment. **50.** Section 137 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended in subsection (3) of that section, by the substitution for the words "fine not exceeding five thousand rupees.", of the words "fine not exceeding twenty five thousand rupees.".

Amendment of section 139 of the principal enactment. **51.**Section 139 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended by the substitution for the words "fine not exceeding five hundred rupees:", of the words "fine not exceeding ten thousand rupees:".

Amendment of section 141 of the principal enactment. **52.** Section 141 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended by the substitution for the words "fine not exceeding thousand rupees.", of the words "fine not exceeding twenty thousand rupees.".

Insertion of new section 144A in the principal enactment. **53.** The following new section is hereby inserted immediately after section 144 of the principal enactment and shall have effect as section 144A of that enactment:-

"Promotion of indigenous system of medicine. **144A.**(1) The Municipal Council may within the administrative limits of that Municipal Council promote and develop the Ayurveda and indigenous system of medicine, with a view to preserving and improving the health of the people.

(2) For the purpose of this section -

(ii) 'Ayurveda' includes 'Sidhha' and 'Unani' systems of medicines;

(iii) 'promote and development of Ayurveda and Indigenous system of medicine' includes

—

(i) establishment and maintenance of Ayurveda dispensaries and clinics;

(ii) establishment and maintenance of Ayurveda Herbariums and herbal parks;

(iii) establishment and maintenance of Ayurveda plant nurseries and promoting the cultivations of Ayurveda medicinal plants in home gardens; and

(iv) organizing lectures, seminars and other awareness programmes relating to Ayurveda and indigenous system of medicine.

Amendment of section 145 of the principal enactment.

54. Section 145 of the principal enactment as amended by Act, No. 61 of 1981, is hereby further amended as follows:-

(1) in subsection (2) of that section, by the substitution for the words, " fine not exceeding two thousand rupees," and for the words "fine not exceeding five hundred rupees", of the words "fine not exceeding fifty thousand rupees," and of the words "fine not exceeding one thousand five hundred rupees", respectively; and

(2) by the addition at the end of that section, of the following new subsections:-

"(3) It shall be the responsibility of the licensee

to dispose of all waste which is collected from the slaughter house and any person who fails to dispose such waste shall be guilty of an offence and shall be liable on conviction to a fine not exceeding five thousand rupees and in the case of a continuing offence, to an additional fine not exceeding one thousand five hundred rupees for each day during which the offence is continued to be committed after such conviction.

(4) Where the person convicted of an offence under this section continues to commit such offence for a period of one week after the date of such conviction, a Magistrate may, upon an application made by the Mayor, the Commissioner or any officer authorized by the Mayor in that behalf, for the closure of the slaughter house concerned, order the immediate closure of such slaughter house by the person convicted and further order that in the event such person fails to comply with the closure order within three days of the making of such order, the fiscal of the court to carry out the closure order. The order issued to a fiscal shall be sufficient authority for the said fiscal or any police officer authorized by him in that behalf, to enter the slaughter house concerned to carry out the closure order."

Amendment of section 147 of the principal enactment.

55. Section 147 of the principal enactment as amended by Act, No. 61 of 1981, is hereby further amended in subsection (3) of that section, by the substitution for the words "fine not exceeding five thousand rupees," and for the words "fine not exceeding five hundred rupees", of the words "fine not exceeding fifty thousand rupees," and of the words "fine not exceeding five thousand rupees", respectively.

Amendment of section 148 of the principal enactment.

56. Section 148 of the principal enactment as amended by Act, No. 61 of 1981, is hereby further amended in subsection (2) of that section, by the substitution for the words," fine not exceeding two thousand rupees", of the words "fine not exceeding fifteen thousand rupees".

Amendment of section 153 of the principal enactment.

57. Section 153 of the principal enactment is hereby amended by the substitution for the words "fee of twenty-five cents", of the words "fee of twenty-five rupees".

Amendment of section 157 of the principal enactment.

58. Section 157 of the principal enactment is hereby amended as follows:-

- (1) by the renumbering of that section as subsection (1) of that section;
- (2) in the renumbered subsection (1) of that section, by the substitution for the words " such market or part thereof.", of the following words:-

"such market or part thereof:

Provided that the person to whom any public market or a part thereof has been let or leased by the Municipal Council, shall not, without obtaining the prior sanction of such Council, sublet to any other person a shop or stall within the public market or a part thereof which has been let or leased to that person."; and

- (3) by the addition immediately after the re-numbered subsection (1) of that section, of the following new subsection:-

"(2) Where any lessee to whom a public market or any part thereof has been let or leased under subsection (1), alters the nature of the business being carried thereon or carry out any alterations to the structure of the property let or leased by the Council, without obtaining the prior sanction of the Council for that purpose, the Council shall have the power after giving three days notice to the person concerned, to cancel the lease or tenancy and require the person to vacate the property. The Municipal Council shall not be held liable for any loss or damage caused to the person concerned as a result of the cancellation of a lease or tenancy, as the case may be, under this subsection."

Amendment of section 159 of the principal enactment.

59. Section 159 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended as follows:-

- (1) by the renumbering of that section as subsection (1) of that section;
- (2) in the renumbered subsection (1) of that section, by the substitution for the words "fine not exceeding two hundred rupees.", of the words "fine not exceeding five thousand rupees." ;
- (3) by the addition immediately after the re-numbered subsection (1) of that section, of the following new subsections:-

"(2) Where any person is found selling or exposing for sale any articles in contravention of a notification issued under subsection (1), the Council may through any officer authorized specifically in that behalf by the Council, seize all such articles and produce them in court and on conviction of such person, such articles shall be forfeited to the State and be disposed of in such manner as may be determined by the court. Any money realised on such disposal shall be credited to the Municipal Fund established under section 185.

(3) Where any articles seized under subsection (2) are of a perishable nature as in the opinion of the Council render their immediate sale necessary or advisable, the Council shall dispose of the articles seized in such manner as it may determine best and any money realised shall be deposited in court. The money so deposited shall and upon conviction of such person, be credited to the Municipal Fund established under section 185."

Replacement of section 163 of the principal enactment.

60. Section 163 of the principal enactment is hereby repealed and the following section is substituted therefor:-

"Jurisdiction of the Municipal Magistrate.

163. (1) A Municipal Magistrate shall hear, try, and determine, any offence committed within a Municipality:-

- (a) under this Ordinance or under any by-laws, rules or regulations made

thereunder; and

- (b) specified in Column II of the Schedule to this subsection, which is committed under any of the enactments specified in the corresponding entry in Column I of that Schedule ,

and shall have jurisdiction to award such punishment to the offender, as is specified by the relevant provision of this Ordinance or any by-laws, rules or regulations made thereunder or by the relevant provision of the enactment specified in Column I of the Schedule, as the case may be:-

Schedule

Column I	Column II
The Auctioneers and Brokers Ordinance	Any offence under the Ordinance
The Boats Ordinance	Any offence under the Ordinance
The Brothels Ordinance	Any offence under the Ordinance
The Brad Ordinance	Any offence under the Ordinance
The Butchers Ordinance	Any offence under the Ordinance
The Cemeteries and Burials Ordinance	Any offence under the Ordinance
The Census	Any offence under

Ordinance		the Ordinance
The Contagious Diseases Ordinance		Any offence under the Ordinance
The Contagious Diseases (Animal) Ordinance		Any offence under the Ordinance
The Excise Ordinance		Any offence under the Ordinance
The Gaming Ordinance		Any offence under the Ordinance
The Gas Meter Ordinance		Any offence under the Ordinance
The Motor Traffic Act		Any offence under the Act
The nuisances Ordinance		Any offence under the Ordinance
The Penal Code		Section 257, 258, 259
The Police Ordinance		Any offence under the Ordinance
The Prevention of Cruelty to Animals Ordinance		Any offence under the Ordinance
The Quarries Ordinance		Any offence under the Ordinance
The Rabies Ordinance		Any offence under the Ordinance
The Crown Lands		Any offence under

Ordinance	Part VIII of the Ordinance
The Surveyors Ordinance	Any offence under the Ordinance
The Thoroughfares Ordinance	Any offence under the Ordinance
The Tools Ordinance	Any offence under the Ordinance
The Vaccination Ordinance	Any offence under the Ordinance
The Vagrant Ordinance	Any offence under the Ordinance
The Vehicles Ordinance	Any offence under the Ordinance
The Weights and Measures Ordinance	Any offence under the Ordinance
The Wells and Pits Ordinance	Any offence under the Ordinance
The Food Act	Any Offence under the Act
The Medical Ordinance	Offence under section 54 of the Ordinance
The State gem corporation Act	Any Offence under the Act
The Felling of trees Act (control)	Any Offence under the Act

The Fauna and Flora protection Act Any Offence under the Act

The Environmental authority Act Any Offence under the Act

(2) Where any person liable to pay a fine imposed under subsection (1) fails to pay the same, the Municipal Magistrate shall proceed to recover the amount of fine and the amount so recovered shall be paid in to the Municipal Fund.”.

Amendment of section 180 of the principal enactment. **61.** Section 180 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended by the substitution for the words "fine not exceeding five thousand rupees.", of the words "fine not exceeding fifty thousand rupees.".

Amendment of section 185 of the principal enactment. **62.** Section 185 of the principal enactment is hereby amended in subsection (2) of that section, by the repeal of paragraph (g) of that subsection and the substitution therefore of the following paragraph:-

"(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. **63.** Section 188 of the principal enactment as last amended by Act, No. 19 of 1987, is hereby further 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;".

Amendment of section 199 of the principal enactment.

64. Section 199 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 renumbered subsection (1) of that section, of the following new subsection:-

"(2) The Municipal Council may with the prior approval of the Minister, engage in joint ventures with investors, banks or any other financial institutions."

Replacement of section 207A of the principal enactment

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

"Raising loans by the Municipal Councils.

207A. A loan for the purpose of fulfilling any duty imposed on it or for the carrying out 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.

66. 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 by may be entrusted to any other authority or institution, a Municipal Council shall be the general administrative authority for promoting and securing socio-economic development and the planning and

utilization of physical resources within its administrative limits and for that purpose, the Council shall be entitled to exercise all such powers as are vested in, assigned to or imposed on it by or under this Ordinance and by any other written law.

(2) The Municipal Council shall, in the exercise, discharge and performance of the powers, duties and functions vested in, assigned to or imposed on the Municipal Council by or under this Ordinance on matters relating to planning, act in collaboration with the Divisional Secretariat and other governmental and non-governmental agencies within its administrative limits. 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. In fulfilling and discharging its responsibilities and functions relating to Development Planning within its administrative limits, a Municipal Council shall -

- (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 in respect of the powers and functions vested in it;
- (d) submit draft copies of the plans referred to in

paragraphs (a), (b) and (c) in the form and manner prescribed, for the observations and concurrence of the Provincial Commissioner of Local Government and make such changes in the draft development plans on any directions issued by the Commissioner, on the ground that any sector-wise priorities and criteria given by the Provincial Council had not been followed in the draft development plans submitted or that they have not been prepared in accordance with the provisions of this Ordinance, any by-laws or rules made thereunder or any Statutes enacted by the relevant Provincial Council;

- (e) 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;
- (f) 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 grass-roots level planning units; and
- (g) 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 and to facilitate such activities.

activities. 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;
- (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 such 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;
 - (iv) removing of trees and levelling of

land before sale;

- (v) allocation of ten *per centum* of the extent of blocking out land to the Municipal Council for the purpose of providing common amenities;
- (vi) registration of land developers;
- (vii) approval of blocking out plans; and
- (viii) advertising and sale of blocked out plots of land."

215A

Amendment of section 218 of the principal enactment.

the Mayor to resign from the office with effect of not passing the budget by the Council
67. 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, register 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 accordance with the form provided for by the regulations made under subsection (1), showing the nature and the amount".

Amendment of section 226 of the principal enactment.

68. Section 226 of the principal enactment as amended by Act, No. 15 of 1957, is hereby further 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.

69. 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 228 of the principal enactment.

70. Section 228 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further amended 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.

71. Section 230 of the principal enactment as last amended by Act, No. 20 of 1985, is hereby further amended in paragraph (iii) to 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, 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. **72.** 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. **73.** Section 234 of the principal enactment as amended by Act, No. 39 of 1986, is hereby further 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 245 of the principal enactment. **74.** Section 245 of the principal enactment as amended by Act, No. 42 of 1979, is hereby further amended as follows:-

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

"(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) by the addition immediately after the paragraph (f) of subsection (3) of that section, of the following new paragraph :-

“(g) vehicles subject to a licence duty under section 3 of the Vehicles Ordinance, 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 Municipal 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 such it shall be** recovered by the Court and the amount so recovered shall be paid to the Fund of the Council.

(3C) For the purpose of this section “vehicles and animals” means

Amendment of section 246 of the principal enactment.

75. 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.

76. Section 247A of the principal enactment as amended by Act, No. 20 of 1985, is hereby further 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 the use of any premises for any of the purposes of 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 such duty is payable, at such rates not exceeding the rates as set out below and the licence **duty** so levied shall not exceed *one per centum* of such annual turnover or **fifty thousand rupees**, whichever sum is less:-

<u>Column I</u>	<u>Column II</u>
Annual Turnover of the business	Tax payable
<u>Column I</u> Annual Turnover of the business	<u>Column II</u> Tax payable
Does not exceed Rs.100,000/-	Nil
Exceed Rs.100,000/- but does not exceed Rs.1,000,000/-	2500/-
Exceed Rs.1,000,000/- but does not exceed Rs.5,000,000/-	7500/-
Exceed Rs.5,000,000/- but does not exceed Rs.10,000,000/-	20,000/-
Exceed Rs.10,000,000/- but does not exceed Rs.15,000,000/-	30,000/-
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 duty** 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:-

<u>Column I</u> Annual value	<u>Column II</u> Tax payable
Does not exceed Rs. 10,000/-	Rs. 2,500/-
Exceed Rs. 10,000/- but does not exceed Rs. 100,000/-	Rs.7,500/-
Exceed Rs. 100,000/- but does not exceed Rs. 1,000,000/-	Rs. 20,000/-
Exceed Rs. 1,000,000/- but does not exceed Rs. 10,000,000/-	Rs. 30,000/-
Exceed Rs. 10,000,000/-	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 :-

(i) a copy of a statement of Accounts to the Municipal Council before 30th November of the succeeding accounting year; and

(ii) where the such licence holder is liable to declare his income to the Department of Inland Revenue, he

shall be required to submit a copy of the income declaration that was submitted to the Commissioner General of Inland Revenue to the Municipal Council.

(b) The failure to furnish such statements 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 education 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. **77.** Section 247B of the principal enactment as amended by Act, No. 39 of 1986, is hereby further 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) in the repeal of subsection (2) of that section, and the substitution therefore 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, at such rates not exceeding the rates as set out below and the **tax** so levied shall not exceed *one per centum* of such annual turnover or fifty thousand rupees, whichever the sum is less:-

<u>Column I</u>	<u>Column II</u>
Annual Turnover of the business	Tax payable
<u>Column I</u> Annual Turnover of the business	<u>Column II</u> Tax payable
Does not exceed Rs.100,000/-	Nil
Exceed Rs.100,000/- but does not exceed Rs.1,000/-	2500/-
Exceed Rs.1,000,000/- but does not exceed Rs.5,000,000/-	7500/-
Exceed Rs.5,000,000/- but does not exceed Rs.10,000,000/-	20,000/-
Exceed Rs.10,000,000/- but does not exceed Rs.15,000,000/-	30,000/-
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 set out below, not exceed the sum as specified in the corresponding entry in Column II:-

Column I
Annual value

Column II
Tax payable

Does not exceed Rs. 10,000/-	Rs. 2,500/-
Exceed Rs. 10,000/- but does not exceed Rs. 100,000/-	Rs.7,500/-
Exceed Rs. 100,000/- but does not exceed Rs. 1,000,000/-	Rs. 20,000/-
Exceed Rs. 1,000,000/- but does not exceed Rs. 10,000,000/-	Rs. 30,000/-
Exceed Rs. 10,000,000/-	Rs. 50,000/-

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

“(2A) Notwithstanding anything to the contrary contained in any other law, the licence holder shall be required to furnish to the Municipal Council before 30th November of the next accounting year, a copy of the statement of Accounts of the business being carried on. However, where the licence holder is liable to declare his income to the Department of Inland Revenue, he shall be required to submit the copy of the income declaration that was submitted to the Commissioner General of Inland Revenue. The failure to furnish such statement or declaration, as the case may be, 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.

78. Section 247BB of the principal enactment is hereby **repealed**.

Amendment of section 247C of the principal enactment.

79. Section 247C of the principal enactment as last amended by Act, No. 39 of 1986, is hereby further amended as follows:-

(1) by the repeal of subsection (1) of that section and the substitution therefore 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 turnover of the business for the year preceding the year in which such tax is payable, at such rates not exceeding the rates as set out below:-

<u>Column I</u> Annual Turnover of the business	<u>Column II</u> Tax payable
Does not exceed Rs.100,000/-	Nil
Exceed Rs.100,000/- but does not exceed Rs.1,000,000/-	2500/-
Exceed Rs.1,000,000/- but does not exceed Rs.5,000,000/-	7500/-

Exceed	Rs.5,000,000/-	but	20,000/-
does	not	exceed	
	Rs.10,000,000/-		
Exceed	Rs.10,000,000/-	but	30,000/-
does	not	exceed	
	Rs.15,000,000/-		50,000/-
Exceed	Rs.15,000,000/-		

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

“(1A) Notwithstanding anything to the contrary contained in any other law, the business owner shall be required to furnish to the Municipal Council before 31st of March of the next accounting year, a copy of the statement of Accounts of the business being carried on. However, where the business owner is liable to declare his income to the Department of Inland Revenue, he shall be required to submit the copy of the income declaration that was submitted to the Commissioner General of Inland Revenue. The failure to furnish such statement or declaration, as the case may be, shall be an offence punishable with a fine not exceeding twenty-five thousand rupees and in case of a continuing offence, to a further fine not exceeding one thousand 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 (1A) of that section and the substitution therefore 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) by the repeal of all the words beginning from the words "For the purpose of this section-", to the end of that section and the substitution therefore 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.

80. 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) An Urban Council may by resolution impose and levy annually, a licence **duty** for the purpose c regulate and control of advertisement displayed c exhibited so as to be visible from any thoroughfare withi the administrative limits of that Urban Council in th manner specified in subsection (2).

(2) Where the square area of the advertisement falls within the limits specified in Column I of the Schedule set out below, the tax imposed or levied shall not exceed the sum specified in the corresponding entry in Column II of that Schedule :-

Schedule

Column I	Column II
Square area	Tax imposed
Less than 1 sq.m.	Rs. 5,000
1sq.m. to 3 sq.m.	Rs. 10,000
3 sq.m. to 5 sq.m.	Rs. 20,000
5 sq.m. to 10 sq.m.	Rs. 100,000
Over 10 sq.m.	Rs. 200,000

Provided further that, the preceding provision of the Act shall not apply to any of the following advertisementsas PS Act.dghh

Amendment of section 247E of the principal enactment.

81. Section 247E of the principal enactment as amended by Act, No. 39 of 1986 is hereby further 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 31st of March 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's Court having jurisdiction over the area of such Municipal Council. On conviction, such person shall be liable to a fine of ten thousand rupees and in the event of a continuing offence, to an additional fine of one 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.

82. Section 253 of the principal enactment as amended by Act, No 48 of 1971, is hereby further 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. **83.** Section 255 of the principal enactment as last amended by Act, No 39 of 1986, is hereby further 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 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 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. **84.** Section 267 of the principal enactment as amended by Act, No 61 of 1981 is hereby further 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 five thousand rupees".

Insertion of new section 271A in the principal enactment.

85. 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. Every by-law made under this Ordinance shall as soon as convenient after its publication under section 268, be brought before Parliament by a motion that such by-law be not disallowed and may by resolution of Parliament be rescinded or amended. Notification of the rescission or amendment of a by-law by the Parliament shall be published forthwith in the *Gazette* and such rescission or amendment shall take effect from the date of such publication but without prejudice to anything that may have been **done or any proceedings that may have been** instituted under that by-law, prior to such rescission or amendment, as the case may be."

Amendment of section 272 of the principal enactment.

86. Section 272 of the principal enactment as last amended by Act, No 19 of 1987, is hereby further 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 "not being posts in

the Local Government Service;”, of the words “not being posts in the Local Government Service or the Provincial Public Service;”;

- (2) in sub-paragraph (d) of paragraph (6) of that section, by the substitution for the words “ the erection of hoardings and other temporary structures,”, of the words “ the erection of temporary structures,”;
- (3) 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 air and noise pollution;
 - (c) protection of built environment and preservation of buildings and creations of cultural and of historical significance;
 - (e) prevention of environmental pollution caused from unauthorized industrial, agricultural and livestock activities and unauthorized contraction and trading activities; and
 - (f) educating and bringing awareness among citizens on environmental protection.";
- and

- (3) by the addition immediately after sub-paragraph (f) of the paragraph (7) of that section, of the following new sub-paragraph:-

(g) the regulation and control of blocking out of lands taking in to consideration all relevant laws applicable including provisions of the fragmentation (Tea, Rubber and Coconut) Act,

No. of 2003 and the approval of such blocking out plans and any sub division of such lands.

- (4) 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 in such manner so as to ensure the protection of moral and cultural values”.

- (5) 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.”.

Insertion of new section 290A in the **87.** The following new section is hereby inserted immediately after section 290 of the principal enactment and shall have effect as

principal enactment. section 290A of that enactment:-

“Council to discharge functions pertaining to socio-economic development.

290A. (1) Notwithstanding anything to the contrary in any other provisions of this Ordinance;-

(a) the Minister may where he considers it appropriate, entrust to a Municipal Council by Order published in the *Gazette* the discharge of any one more of the functions that are specified in the Twelfth Schedule to this Ordinance; or

(b) where any of the functions that are specified in the Twelfth Schedule to this Ordinance are functions that have been assigned to any person or authority under any written law, a Municipal Council may at the request of or in collaboration with such person or authority, discharge any one or more of those functions,

within the administrative area of such Municipal Council, where the discharge of those functions would further and enhance the socio economic development of such area.

(2) Where a Municipal Council discharge any function specified in the Twelfth Schedule to this Ordinance under subsection (1) of this section, it shall be the duty of such Municipal Council to ensure that adequate funds, staff and other resources are available with the Council, to enable such Council to discharge those functions.”.

Amendment of section 305 of the principal enactment.

88. Section 305 of the principal enactment as amended by Act, No 42 of 1979, is hereby further amended in the proviso to that section, by the substitution for the words “exceeds the sum of one thousand rupees”, of the words “exceeds 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 as amended by Act, No 48 of 1971, is hereby further amended by the repeal of subsection (3) of that section and the substitution therefore 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.

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 290A]

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 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 event of
inconsistency**

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