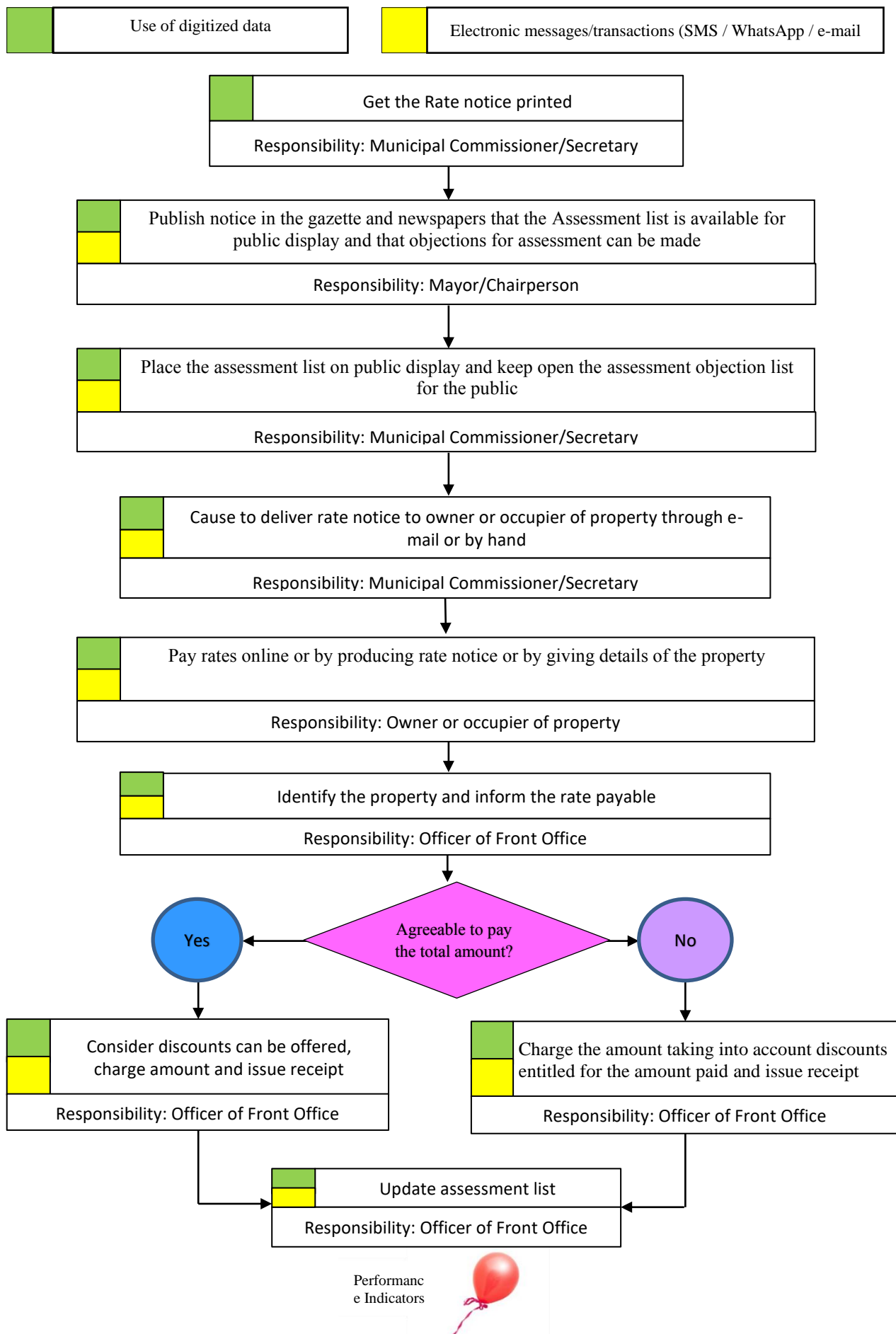


### 13. Levy Rates – Flow Chart



## **13. Levy Rates**

### **1. Introduction**

Rate is imposed and levied by any Municipal Council or Urban Council or Pradeshiya Sabha may, subject to the approval of the Minister in charge of the subject of Local Government, at a rate determined by the local authority on the annual value of any immovable property or any species of immovable property situated within the limits of Municipal Council or Urban Council or in the localities declared by the Pradeshiya Sabha, with the approval of the Assistant Commissioner to be built up localities to meet the expenses for services discharged free of charge. The ratio (percentage) between the total cost of providing services within the limits of the local authority and the sum of the annual values of each property in that area, multiplied by the annual value of the property, shall be the annual assessment payable on that property. This percentage is calculated and determined annually by the local authority in the above manner. Assessment is not a tax.

### **2. Applicable Legislation**

Power to impose and levy rates have been vested in -

- (a) the Municipal Councils under Section 230 of the Municipal Council Ordinance;
- (b) the Urban Councils under Section 160 of the Urban Council Ordinance; and
- (c) the Pradeshiya Sabhas under Section 134 of the Pradeshiya Sabha Act, No. 15 of 1987,

to meet the expenses incurred for the execution of functions assigned to such local authorities in terms of Section 4 of the Municipal Council Ordinance, Section 4 of the Urban Council Ordinance, and Section 3 of the Pradeshiya Sabha Act.

### **3. Eligibility / Relevance**

- (a) Should be any movable or immovable property or any species of movable or immovable property situated in localities declared by the local authority to be built up localities.
- (ආ) The owner or the occupier should be liable to pay the rates (The occupier whether the owner of the property or not, should be liable to pay the rates as the person who uses the services provided by the local authority)

### **4. Fee Payable**

- (a) the amount specified in the rate notice issued to the owner or occupier of the property by the local authority should be paid.
- (b) the amount of arrears in rates payable at the time of delivery of the assessment notice, if any, is stated in the notice which amount should also be settled.
- (c) These annual rates can be paid in a lump sum or on a quarterly basis.
- (d) When the rates for any property for the whole year are paid before the 31<sup>st</sup> day of January of the year, the ratepayer will be entitled to a discount of 10% of the total amount. (The discount is available only if the arrears in rates for previous years if any, are settled at the same time.)

- (e) When the rates for any quarter of the year are paid before the end of the first month of the quarter, the ratepayer will be entitled to a discount of 05% of the rate amount of the quarter. (The discount is subject to settlement of arrears in rates.)

## 5. Documents to be submitted

- (a) Assessment notice issued by the local authority.
- (b) In the absence of the Assessment notice, describing details of the location of the property (road, assessment number, address) will be helpful for the Officer of Front Office to identify the property.

## 6. Procedure

Procedure	Duration	Responsibility
Get assessment notices printed	Before 31 <sup>st</sup> Oct. every year	Municipal Commissioner / Secretary
Publish notice in Gazette and Newspapers that Assessment Book is put on display and that assessment objects can be made.	Before 31 <sup>st</sup> Oct. every year	Mayor / Chairman
Put Assessment Book on display and keep the assessment objections register open for the public	Between 01 <sup>st</sup> of Nov. and 31 <sup>st</sup> January every year	Municipal Commissioner /
Cause the assessment notice served on the owner or occupier of the property	Before 31 <sup>st</sup> Dec. every year	Municipal Commissioner / Secretary
Pay the rates by submitting the assessment notice or details of property or pay rates online		Owner or occupier of the property
Identify relevant property and inform the amount of rate payable	At the time of coming forward to make payments	Officer of Front Office
Charge the amount taking into account the discounts depending on the amount agreed to pay and issue receipt	At the time of receiving money	Officer of Front Office
Update assessment lists	1. instantly, on the computer software 2. unless, within a week from making the payment	1. Officer of Front Office 2. Officer in charge of subject

Note: 1. Despite objections made against the assessment of the property, the owner or occupier is liable to pay the rates applicable to the year.

## **7. Consequences of failure to pay rates**

- (a) The owner or the occupier is liable to pay into the local authority office the rates imposed by the local authority on any immovable property or any species of immovable property situated in localities declared by the local authority within such time as the local authority may direct. If any owner or occupier fails to pay the amount of any tax imposed into the local authority office within such time as the local authority may direct, the Municipal Commissioner / Secretary has the power to issue a warrant signed by the Municipal Commissioner / Secretary to some collector or other officer of the local authority named therein, to recover the arrears of tax.
- (b) When the Municipal Commissioner / Secretary issues a warrant, it should be legal for the person to whom such warrant is issued, to levy such tax and the cost of recovery by seizure and sale of the property on account of which such taxes may be due and of all and singular the movable or immovable property of the defaulter and to deposit to the credit of the Fund of the local authority.
- (c) The amount of the cost of recovery authorized to be levied under any warrant issued, shall be made in respect of the cost of issue of the warrant in accordance with the following provisions:
  - (i) a charge of fifteen per centum on the amount of rate due on bare lands and residential premises;  
or
  - (ii) a charge of twenty per centum on the amount of rate due on properties other than bare lands and residential premises.
- (d) Also, the defaulter of rates will be liable to and additional charge of ten per centum on the total amount of rate due as the cost of the seizure of properties.
- (e) Moreover, where there are no movable property to be seized, it is legal to seize and sell such movable property as can be found in or upon the property to which the warrant relates.