

MUNC ADMN & URBAN DEVELOPMENT DEPARTMENT

e- Memo No.135808/MAU/H/2004 (179)-1

Dated: 7-04-04

Subject: Certain clarification for collection of Development Charges on Educational Institutions to be levied at Commercial or Miscellaneous-Regarding.

Reference: 1. from V.C., KUDA, Lr. RC. No. C1/1072/2003/689, dt. 16.09.2003
2. Govt. e-letter No. 135808/MAU/H/2004 (204) -1, dt. 21.02.2004
3. from V.C HUDA. Lr.No.2325/P3/Plg/ 2004, dt.01.03.04

The attention of the Commissioners of all Municipal Corporations/ Municipalities and Vice Chairmen of all Urban Development Authorities/ Director of Town & Country Planning are invited to the subject cited.

In this regard they are informed that in the reference 1st cited the V.C., Kakatiya Urban Development Authority has reported to the Government that the A.G. Party has pointed out that residential school with commercial motto to make profits cannot be termed as residential. In this regard V.C.KUDA has requested the Government to issue necessary clarification / orders for collection of development charges in respect of educational institutions.

In the reference 3rd cited V.C.HUDA has informed that as there is no specific category of educational/ medical institutions in G.O. Ms. No. 51 they are collecting the development charges as per the rates prescribed for miscellaneous activities which are comparatively less than the commercial rates and it is appropriate to agree with the contention of the Audit Party to treat educational/ medical and other institutions as commercial use for the purpose of levy of development/ conversion charges unless a particular institution submits documentary proof from a competent authority that the said institution is a non profit or charitable institution. The V.C.HUDA has requested the Government to issue suitable orders in this matter.

In the circumstances stated above Government after careful examination of the matter observes that majority of the educational/ medical institutions are profit oriented and hence decided to treat educational/medical and other institutions as commercial use for the purpose of levy of development/ conversion charges.

Therefore all the Commissioners of Municipal Corporations/ Municipalities/All Vice Chairmen of Urban Development Authorities / Director of Town & Country Planning, Hyderabad are requested to treat educational/ medical and other institutions as commercial use for the purpose of levy of development/ conversion charges. However if any institution claims any relief from commercial rates they should furnish such documentary proof from the competent authority and the concerned local authority shall decided the issues.

S.R. Rao
Principal Secretary to Government

To
All Commissioners of Municipal Corporations.
All Vice Chairmen of Urban Development Authorities.
All Commissioners of Municipalities through Director of
Town & Country Planning, Hyderabad
The Director of Town & Country Planning, Hyderabad

Copy to:
M.A & UD (I) Department.
SC/SF

//Forwarded by order//

Section Officer