

**CHAPTER - III**

**SPECIAL WATER CESS (TAX)**

- A) Legal Provisions**
- B) Trends in Water Cess  
Revenue**
- C) Observations**

CHAPTER - III

SPECIAL WATER CESS (RATE)

A) LEGAL PROVISIONS :

This cess is known as 'Gadhinglaj Municipal Council (Water Supply and Special Water Tax) Bye-Law 1976 (Ref. Maharashtra Government Weekly Gazettee 13/4/1978 Reg. No. PANC 25).

In exercise of power delegated under section 322 (3)(e)(ii) of Maharashtra Municipality Act 1965, Commissioner and Regional Director of Municipal Administration, Pune is pleased to sanction the bye-laws under section 108(f) regarding Special Water Tax for this Gadhinglaj Municipal Council.

This tax is payable yearly in advance. As per rule 6 supply of water at public drinking foundation etc. not to be taxed. Rule-7(5) - Permission for water connection may be refused if arrangement for draining waste water from such premises are inadequate or it creates insanitary conditions.

As per schedule rate structure for special water tax is given below in Table No. 4.

TABLE NO. 4  
TABLE SHOWING RATES OF WATER TAX

| Size of Pipe                                  | RATE (IN Rs.) |                     | DEPOSITS (IN Rs.) |                      |
|---|---------------|---------------------|-------------------|----------------------|
|   | Domestic      | Other than domestic | Domestic          | Other than domestic. |
| If water is supplied by<br>12 Millimeter Pipe | 75            | 114                 | 48                | 72                   |
| If water is supplied by<br>18 Millimeter Pipe | 150           | 225                 | 96                | 144                  |
| If water is supplied by<br>25 Millimeter Pipe | 300           | 450                 | 192               | 288                  |

Domestic purpose means all sorts of household purposes and includes bathing, washing of clothes and utensils, washing of domestic animals and vehicles means for the purpose of business or trade. Watering of small gardens the produce of which is not sold and the like.

If any council desires to levy special water tax on the basis of rateable value of premises to which the water is supplied, it may do so by modifying model bye-laws accordingly while adopting the same.

B) TRENDS ANALYSIS OF  
REVENUE FROM WATER TAX :

Analysis of revenues from this source is made by comparing revenues with expenditures and project costs of water supply department as given in Table No. 5.

TABLE NO. 5

REVENUES, EXPENDITURES AND PROJECT COST OF WATER SUPPLY

DEPARTMENT

| Particulars.      | 1980-81  | 1981-82  | 1982-83  | 1983-84  | 1984-85  | 1985-86<br>(Budgets) |
|-------------------|----------|----------|----------|----------|----------|----------------------|
| Revenues          | 76,188   | 91,485   | 1,42,919 | 1,81,006 | 1,77,796 | 2,00,000             |
| Total Expenditure | 3,35,419 | 4,95,207 | 2,32,674 | 8,37,572 | 4,63,940 | 5,77,790             |
| Project Costs     | 2,25,530 | 4,24,605 | 1,48,017 | 7,45,504 | 3,02,900 | 4,38,500             |

(Source : Annual Accounts)

Special water tax is one of the important sources of revenues and comes third in the share of total revenues of Gadhinglaj Nagar Parishad. As per scrutiny of records in M Nagar Parishad there is perceptible growth in water-pipe connections. There is definite demand from non-domestic users for water pipe connections. Due to small number of wells, and tubes and growing city area there is rising demand for water supply connections.

From Table No. 4 it can be seen that revenues from water tax is rising annually but there is short-fall in the year 1984-85 due late recovery and cutting of some water connections. On an average revenues from this source is

less than 10% of total revenues from rates and taxes. It is even less contributory in total revenues of municipality.

If all the revenues of 5 years under study are compared with the total expenditures made by that water supply department, expenditure is more than can be imagined by layman. In that total expenditure water project cost (yearly) is included. As said by Accounts Department of Municipality, salary allowances only account for nearly Rs. 1,00,000/- per year and cost of water projects, extension, maintenance and new pipelines etc. account for yearly 100 to 200% more than yearly revenue from water tax.

C) OBSERVATIONS :

As Chief Officer said, many circulars and time to time announcements of Government of Maharashtra about the preparation of self-supporting schemes of local bodies, has very little influence on the rate structure applied by Gadhinglaj Nagar Parishad, at present.

As per opinion of the staff of water supply department, the demand for water connection will increase rapidly but fact is that rate-structure sanctioned by State Government for Gadhinglaj Nagar Parishad at present is at very low level. Figures of project costs and expenditures are alarming and more burdensome on the Municipal revenue. Government is stressing that water supply schemes should be

self-supporting. Municipal authorities have opined that the water cess revenue is bitterly inadequate as a main source of revenue because costs incurred for installation of main pipes, extra reservoirs of water, chemicals, are so high that present rates-structure specified in Section 'A' of this Chapter is not upto that level which will provide for major costs of water projects and in addition to that, it will provide for additional revenue to the package of Nagar Parishad.

It is seen that at present on west side of Gadhinglaj City there are many constructions of housing taking place due to speedy urbanisation of municipal area. So authorities have taken steps to construct two projects one for additional reservoir of water at more height and another for extra arrangement for mixing process of water chemicals. It will cost Rs. 10 lakhs or more. From this information it is clear that water supply scheme cannot be a self-supporting scheme at present level of rate-structure of water tax. Question of additional revenue to Nagar Parishad is far from reality. Authorities have to depend on the help of State.

Another important fact, from the observations is that in many places on the pipelines there are leakages and water is wasted, immediate repair has not made sometimes

as reported by some employees. Some citizens wasting water from pipes keeping open the cock. At some places house-owners use the municipal water for gardening and other than household purposes. Some people use water for house constructions in summer time. In this way unlimited water is wasted in the wake of shortages on which there is hardly any type of control or supervision. This opinion is reflected by Chief Officer. Due to such wastage and inadvertance insanitary conditions appear at many places. Rule No. 7(5) for refusal of connection if there is possibility of insanitary conditions is not obeyed.

Opinion received from some Council Members as well as Superintendent show that revenues from revised rates should cover the project costs stated in Table No. 4 within 2 or 3 years from the initiation of the project. At the present rate structure it is impossible of such recovery. Project costs are rising due to rising prices, of pipes, wages, cement, chemicals, electricity etc.

It is clear from the system of water use that there is no record of wastage/consumption of water.

Another fact is that rate-structure is misleading measure of revenue because rates are fixed on the basis of



size of pipe lines. These rates also are of at low level as compared with the importance of water supply in city. Rates are not connected with volume of water used. As there is no control on use of water wastes and inadvertence occur. It is also important to know that only 40% of the house-owners have water connections as reported by - Superintendent. This is important cause of low revenue from water tax. Low income group house owners have no water connections.

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