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Property tax in smart cities in Tamil Nadu may take a northern route

CHENNAI: The property tax in six smart cities in the State may go up if the recommendation of the Union Ministry of Urban Development (MoUD) to generate funds under Smart City Mission is implemented.

According to the Ministry, the cities have to generate funds by floating tenders before April 30, 2017, to revise advertisement tax policy, cut down non-revenue water and maximise property tax.

Chennai and Coimbatore have been selected as smart cities in the first round, while Vellore, Madurai, Salem and Thanjavur have been picked in the second round in 2016-17.

The four cities selected in the second round are yet to provide information to MoUD on committed investments. It is learnt that a total of Rs 10,977.50 crore-worth projects have been completed by other Indian cities selected in the second round.

Sources said Vellore, Madurai and Thanjavur have invited

tenders for project management consultants to implement smart city projects.

The move has come in the wake of the ministry stating that it would provide funds to appoint consultancy firms if tender is called before April 30.

Similarly, among the cities chosen in the first round, Chennai and Coimbatore lag behind in completing the projects. They, besides Bhopal and Kochi, have completed less than one per cent of projects and find themselves at the bottom of the ranking chart.

A total of Rs 23,387 crore-worth projects have been carried out till date by the 20 cities selected in the first round, according to MoUD.