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BMC revokes property tax exemption from aided school

The Brihanmumbai Municipal Corporation (BMC) has revoked its decision of property tax exemption for several educational institutions. The decision comes following the failure of these institutions to meet certain criteria set up by the civic administration last year. The institutions, that fell under charitable organisations, were claiming benefits under property tax waiver scheme.

In the last two weeks, the BMC's assessment and collection administration has issued notice to several well-known aided educational institutions ordering them to pay their property tax. The issued cropped-up during the standing committee meeting wherein the civic body's decision was criticised.

In January 2017, the BMC had issued a circular demanding for aided education institutions to submit documents to support criteria — from concession in fee for economically backward students to holding special programmes for needy students. However, around 80 per cent aided schools failed to submit required documents following which the civic body decided to revoke the tax exemption.

Asif Zakaria, Congress corporator from Bandra and standing committee member said the BMC's action is against the law. "These institutions are registered with Charity Commissioner as charitable organisations and they are entitled to get exemption from property tax under section 143 (1) (a) of the Mumbai Municipal Act 1966. The circular raises various questions on the ambit of the corporation and the charity commissioner."

Zakaria was backed by Rais Shaikh, SP leader, who said it is unacceptable to cancel the exemption. Father Frazer Masceranhas, manager of St Stanislaus High School, said, "There is already an economic burden on the school that we are struggling with. The cancelling of exemption will make things worse and we might have to shutdown. We appeal to the BMC to continue with the earlier exemption for property tax."

Land Value Capture - Regional Conference on ‘Futuristic, Resilient and Digital Infrastructure concludes

The Futuristic Vision on Resilience should be able to focus on hazards, governance, and institutions.

The 4th Regional Conference on ‘Futuristic, Resilient and Digital Infrastructure’ organized by the **Ministry of Finance, Government of India in collaboration with the Confederation of Indian Industry (CII), and Research and Information System for Developing Countries (RIS)** concluded in Bengaluru today. A 2-day Conference is a lead-up event to the 3rd Annual Meeting of the Asian Infrastructure Investment Bank (AIIB) which is going to be hosted by the Government of India on 25th and 26th June 2018 in Mumbai.

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The Conference saw eminent delegates representing partner institutions, academia, civil society organizations and experts from various fields expressing their views on how to bring about institutional approaches for futuristic and digital infrastructure in India.

The two day Conference mainly gave thrust on three (3) broad areas including the Challenges as well as Opportunities in the context of the need for Futuristic, Resilient and Digital Infrastructure, Resource Mobilisation and Emerging Challenges among others.

The idea behind this particular Conference was to work simultaneously on these 3 focus areas for a holistic understanding of a sustainable future in so far as infrastructure development is concerned. Integration (in urban planning and multi-modal transportation), inclusion, resilience were covered in the first 3 Plenary Sessions. Keeping in mind the enormous opportunities that digital technologies and the Fourth Industrial Revolution have in terms of promoting infrastructure development with a focus on integration and resilience in infrastructure design and operations, as well as in influencing the very behavioral patterns of citizens and their response. It was pointed-out that Digital Infrastructure is the '**infrastructure for infrastructure**'.

Congestion being treated as a negative externality – Experts gave a lot of stress was on the use of futuristic smart technologies to decongest, emerging digital technologies, satellite based services, intelligent traffic, and city management much beyond real-time data generation and dissemination

Resilience – Much is understood in terms of damage protection and minimization in times of disasters – primarily natural as well as man-made like conflicts and terrorism.

The Futuristic Vision on Resilience should be able to focus on hazards, governance, and institutions. Examples like – special design for hospitals to prevent inundation in times of flood; early warning systems not only for storms, tsunamis, and cyclones but also for heat stress. The idea of creating Utility Maps for disaster preparedness would be futuristic and should be part of integrated planning. Community-level partnerships and initiatives would be important in this regard.

Use of Digital Technologies would be effective for Early Warning Systems and reach maximum people. Information gathered needs to be coordinated and analyzed in shorter time frames to prevent the adverse impact of both natural and man-made disasters. The social cost of over-protection and hardships on preventive actions need to be factored in.

Integration and Agglomeration – These concepts were alluded to over and over again across different Sessions in the context of rapid urbanization. Integrated city planning holds key to inclusive development and minimizing exclusions.

Such integration does not only refer to having robust master-plans for city expansion but also take into account cultural and anthropological parameters characteristic of the geography. Integrated city planning also leads to design in the integration of multi-modal transportation.

Use of technologies, particularly digital technologies would be critical for integration and future in terms of multi-modal transportation.

The twin challenges of infrastructure development are to enhance agglomeration, but at the same time reduce congestion.

Agglomeration economies rooted in urbanization is expected to drive productivity. However, debates rage on the futility of exclusive urban-centric approach vis-à-vis a more decentralized planning and approach. Bottoms-up infrastructure development has been discussed from that standpoint.

However, urbanization is an outcome of people's choices and hence policy planning needs to have a realistic vision of urbanization and economic opportunities. It is becoming increasingly clear that urban expansion is rapidly happening in the suburbs and Tier-2 cities.

Sustainability of urban landscape would be critical from the perspective of land use, the design of transportation and buildings, commute time, vertical versus horizontal city expansion (as evidence suggest that geographical expanse needed for sustainable living habitat for vertical city growth may not be substantially smaller).

In terms of future of mobility – the scope of high-speed railway, metro railway, resource efficient public transportation, dedicated corridors etc. were analyzed threadbare. Apart from considerations like current needs versus future needs,

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technically such projects are subjected to analysis on parameters like energy consumption and emission. Usually, such assessments help in planning and adoption of new modes of transportation.

Technological Solutions, Digital Infrastructure, and Digital Economy – As already highlighted, these have enormous potential to address the above three concerns in terms of minimizing social costs and improving well being.

The ubiquitous presence of digital technologies have created massive opportunities in the digital space. This is also the best way to leverage the creativity and innovation of all citizens.

Devices and connectivity form the backbone of the future. Supply chains are getting transformed, inventory monitoring, assessment of depreciation and wear and tear can also be monitored in a precise way and customization is bringing more opportunities to the production of goods and services.

The fundamental issues around Industry 4.0 going ahead will be the capability to produce, ability to connect and capacity to use. Policy framework ignoring any one of this would result in sub-optimum and even adverse outcomes.

In this framework, trade policy regime in the context of ITA has been elaborated that has created unequal gains across countries and led to the muted production of ICT goods in many countries including India. China has benefitted most among developing countries.

Issues of Financing

Beyond the existing PPP models in practice, experts suggested that the futuristic Infrastructure can be funded through land value capture – allowing land value to first increase then leveraging it for revenue apart from using pooled savings in the form of insurance and pension funds. Hence urban planning must precede transport planning. In order to make some of the future transportation projects viable, medium capacity transit systems have to be adopted more widely. This also has implications for electrification of public transportation beyond the current focus on private electric vehicles.

Rapid technological change carries obsolescence risk where yesterday's cutting-edge technology is tomorrow's discard. This structural risk can slow down the adoption of socially beneficial technologies. Slow adoption can also be engineered by those who stand to lose their investments from new technologies. This may require public action in terms of financing models and regulatory oversight.

While commenting on the paradigm of infrastructure financing it was discussed, that the earlier focus on assessment of infrastructure gaps is fast shifting towards financing growth centers that promote agglomeration in the positive sense. Increasingly, infrastructure for competitiveness is being mainstreamed by multilateral banks like the ADB has adopted this model. VCIC and Eastern Corridor were presented as examples.

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