

## LOCAL BODIES

Issues on which detailed Notes are required

1. Has the SFC been set up? If so, the award periods may be specified. The principles laid down by the last SFC (for which recommendations are being currently implemented or have been implemented) for assignment of taxes / devolution/ grant-in-aid to PRIs and ULBs and the implementation of these SFC recommendations may be given in detail. (See Schedule-I) If any of the recommendations have not been accepted, please provide reasons.
2. Efforts made / being made to raise revenues to meet the additional requirements based on the SFC recommendations and results thereof.
3. Have adjustments been made by the State Governments against the funds to be devolved to local bodies as per State Finance Commission recommendations for any reason, including recovery of arrears of dues for electricity and water supply? How many such instances have there been since 2012-2013? Details may be given.
4. Status of implementation of the recommendations of the Thirteenth Finance Commission:
  - a)
    - i. State Govts were required to put in place a supplement to the budget documents for local bodies, showing details of plan and non-plan –wise classification of transfers separately for all categories of ULBs and all tiers of PRIs, from major head to object head, which have been depicted in the main budget under the minor heads 191, 192 and 193; and 196,197 and 198, respectively.
    - ii. For PRIs, an accounting framework and codification pattern consistent with the Model Panchayat Account System was prescribed; besides this, eight data based formats prescribed by C&AG was to be compiled.
    - iii. For ULBs, an accounting framework consistent with the accounting format and codification pattern, suggested in National Municipal Accounts Manual, was recommended.

**Whether the above supplements to the budget, adhering to the above accounting systems, were prepared and placed?**

- b) Accounts of local bodies were required to be prepared and audited on a regular basis in a uniform manner across all states. For this, C &AG was to be given TG&S over the audit of all the local bodies and his Annual Technical Inspection Report and Annual Report of the Director of Local Fund Audit were to be placed before the state legislature.

**Whether the above Statements were prepared, audited and placed before State Legislature? Please indicate dates on which Reports received and dates on which they were placed before the state legislature.**

- c) Whether legislation has been passed and its notification was made for putting in place a system of independent local body ombudsmen to look into complaints of corruption and maladministration against the functionaries of local bodies, both elected members and officials?
  - d)
    - i. Whether a system has been put in place to electronically transfer local body grants provided by the 13<sup>th</sup> FC to the respective local bodies within stipulated time as per the guidelines issued by M/o Finance, Government of India vide No.12(2) FCD/2010 dated 23.09.2010?
    - ii. Number of instances out of total instalments received in which amount has not been transferred within the stipulated period?
    - iii. The amount paid as interest on account of delayed transferred of funds and period of such delays to Local Bodies.
  - e) Whether legislation has been passed and its notification made for prescribing the qualifications of persons eligible for appointment as members of the SFC, consistent with Article 243 I (2)?
  - f) Whether all local bodies have been fully enabled to levy property tax (including tax for all types of residential and commercial properties) and hindrances, if any removed in this connection?
  - g) Whether the State Govt. has put in place a state level Property Tax Board to assist all municipalities and municipal corporations in the state to put in place an independent and transparent procedure for assessing property tax?
  - h) Whether a notification was published in the State Govt. gazette regarding standards for delivery of all essential services provided by the local bodies?
  - i) Whether plans regarding fire hazard response and mitigation plan for all municipal corporations with a population of more than 1 million (2001 census) has been published in the State Govt. gazette?
5. Status of implementation of the recommendations of the Fourteenth Finance Commission:
- a) Levy of vacant land tax by peri-urban panchayats and sharing of land conversion charges by State Governments with municipalities and panchayats. (Para:9.91)
  - b) A note on review and preparation of clear framework of rules for the levy of betterment tax. (Para:9.92)
  - c) Steps taken to empower local bodies to impose advertisement tax and to improve own revenues from this source. (Para:9.93)
  - d) Status note on the structure of entertainment tax and action taken to cover more and newer forms of entertainment. (Para:9.94)

