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**PRIA**

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## State Finance Commission Recommendations

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The collective data gives facts about the latest State Finance Commissions (SFCs) across States and their recommendations

Sl. No.	States	SFC	Recommendation	Source
1.	Andhra Pradesh	4 <sup>th</sup> (2015-20)	*	<a href="http://apegazette.cgg.gov.in/gazettes/1526462616229.pdf">http://apegazette.cgg.gov.in/gazettes/1526462616229.pdf</a>
2.		2 <sup>nd</sup> (2015-20)	<ul style="list-style-type: none"> <li>• The principles which should govern the distribution of funds between the state govt. and the local bodies.</li> <li>• The determination of taxes, duties, tolls and fees which may be appropriated by the Zilla Parishads, Anchal Samities, Gram Panchayat and Municipalities from the consolidated fund of the state.</li> <li>• The grants-in-aid to the Zilla parishads, Anchal Samities, Gram Panchayats and the Municipalities from the consolidated fund of the state.</li> <li>• The measures needed to improve the financial position of Zilla parishads, Anchal Samities, Gram Panchayats and the Municipalities</li> <li>• Any other matter referred to the Finance Commission by the Governor in the interests of sound finance of the Zilla parishads, Anchal Samities, Gram Panchayats and the Municipalities</li> </ul>	<a href="https://www.panchayat.gov.in/documents/10198/349332/notifiocation%20order%20SFC2%20ARP.pdf">https://www.panchayat.gov.in/documents/10198/349332/notifiocation%20order%20SFC2%20ARP.pdf</a>
3.	Assam	5 <sup>th</sup> (2016-20)	<ul style="list-style-type: none"> <li>• Rules may be framed under the Assam Local Self Government Fiscal Responsibility Act, 2011</li> <li>• GPs may be reconstituted through merger and re-organisation so that the size become viable and conform to the Statutory Provision</li> <li>• Devolution of functions, functionaries and fund to PRIs and ULBs should be completed within 60 (sixty) days</li> <li>• r to ensure financial accountability on the part of PRIs and ULBs measure should be strictly enforce</li> </ul>	<a href="http://sfcassam.nic.in/5thsfc.html">http://sfcassam.nic.in/5thsfc.html</a>

			<ul style="list-style-type: none"> <li>• 2 Merger of DRDA and Block staff with ZPs and APs respectively should be considered</li> <li>• allotment of Govt. land may be considered for office buildings and staff quarters of local bodies</li> <li>• 4 The nodal departments of ULBs should provide guidelines for preparation of urban area plans and its integration with the development plans of the district as a whole</li> <li>• d write-off of outstanding loans from the State Govt. to the PRIs</li> <li>• 6 Wages of casual employees of PRIs has been earmarked out of the amount recommended for tax devolution</li> <li>• 2 Grant of Rs. 5 crores for on-going market and Rs.20 lakhs for Rubber Processing Plant has been recommended for Dhubri, ZP</li> <li>• 3 Grant of Rs. 1.75 crores has been recommended for Nalbari ZP</li> <li>• 4 Grant of Rs. 2crores to Kmarup (Rural) ZP for land development</li> <li>• 5 Grant of Rs. 2.50 crores to Barpeta ZP for Tourist Lodge</li> <li>• 6 Grant of Rs. 3 crores to Sonitpur ZP for Tourist Lodge</li> <li>• 7 Grant of Rs. 5 crores to Kopili, Anchalik Panchayat for construction of Auditorium</li> <li>• 8 Grant of Rs.1 crores to Lakhimpur, Anchalik Panchayat for construction of Fruit Processing Unit</li> <li>• 9 Grant of Rs. 50 lakhs has been recommended for ZP, Kamrup (Metro) for construction of an Old Age Home</li> <li>• 1 PRIs may be fully empowered with fund, function and functionaries</li> <li>• 5 Best performing PRIs be rewarded with cash incentive of fifteen days of basic salary utilising the fund recommended by the Central Finance Commission for Performance Grant</li> <li>• 7 Deployment of skilled manpower to ULBs is imperative to ensure professionalism</li> <li>• 9 The ULBs should adopt highly transparent accounting</li> </ul>	
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			<p>standard</p> <ul style="list-style-type: none"> <li>• 0 The Govt. of Assam should implement The Assam Local Self Government Fiscal Responsibility Act, 2011</li> <li>• 4 Track rent should be levied by ULBs on all service providers</li> <li>• 5 All ULBs should take recourse to Advertisement and Hoarding tax</li> <li>• 2 PRIs and ULBs can play a pro-active role in controlling the menace of illicit liquors</li> <li>• 4 PRIs and ULBs should be brought within the ambit of computerization and e-governance</li> <li>• 7 Grants recommended to PRIs is Rs.71.41 crores in 2016-17 and Rs.224.84 crores during 4 year</li> <li>• 8 Grants recommended to PRIs and routed through Line Departments is Rs.421.80 crores in 2016-17 and Rs.1687.20 crores during 4 years</li> <li>• 1 Grants recommended to ULBs other than GMC is Rs.68.92 crores in 2016-17 and Rs.281.18 crores during 4 years</li> <li>• 2 Grants to ULBs routed through Line Departments is Rs.250.16 crores in 2016-17 and Rs.1000.81 crores during 4 years</li> <li>• of devolution consists of three components (i) tax devolution (ii) grants routed through PRIs and ULBs and (iii) grants routed through line departments</li> <li>• 16 A District Level Monitoring Committee should be constituted</li> <li>• 18 Actions needed for improvement of monitoring mechanism</li> </ul>	
4.	Bihar	5 <sup>th</sup> (2015-20)	<ul style="list-style-type: none"> <li>• It must be stressed that for the LBs to function as 'institutions of self-government' as envisaged in the</li> </ul>	<a href="http://www.sfc.bih.nic.in/">http://www.sfc.bih.nic.in/</a>

			<p>Constitution and as “Panchayat Sarkars” as envisioned by State Govt., they must be empowered, enabled and made accountable. Good governance, maximization of own revenue, sound planning, budgeting, accounting, audit and expenditure management particularly in the ULBs are preconditions to enabling the cities and towns to provide opportunities to the people arising from urbanization. Similarly, if the villages are to be made more liveable and productive.</p> <ul style="list-style-type: none"> <li>• An outgo of 2.75% in 2015-16 to 3.25% in 2019-20 from the State Budget to the LBs primarily for capacity building and ‘reforms’, therefore, would not be excessive. In fact this % is around the average of the Low Income States <ul style="list-style-type: none"> <li>• rapid and planned urbanization is an imperative for Bihar for the next stage of socioeconomic development</li> <li>• Composite picture of CFS, Divisible pool, Devolution and Grants</li> <li>• Full capacity building and ‘reforms’ in the LBs</li> <li>• Distribution of Devolved funds and Grants between the PRIs and ULBs would be in the ratio of 70:30 in 2015-16 and 60:40 in the subsequent 4 years.</li> <li>• Inter-se distribution of Devolved funds among the GP: PS: ZP would be in the ratio of 70:10:20.</li> <li>• improve the Local Body window in the State Budget</li> <li>• Strengthen Directorate of Local Fund Audit.</li> <li>• Levy Surcharge of 10% on behalf of the LBs on Entertainment Tax and share a reasonable share of the surcharge with the PRIs.</li> <li>• Urgently operationalize Ombudsmen separately for the Panchayats to enquire into allegations of corruption, misconduct etc.</li> <li>• Expedite Activity Mapping for the PRIs and integrate Parallel Bodies functionally with the PRIs.</li> </ul> </li> </ul>	
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			<ul style="list-style-type: none"> <li>• Enable the PRI to implement certain Central Acts</li> <li>• Own Revenue Enhancement in the PRIs</li> <li>• Accountability and Transparency</li> </ul>	
5.	Chandigarh	5 <sup>th</sup> (2016-20)	<ul style="list-style-type: none"> <li>• Determining the duties, tolls, taxes, and fees, which are to be imposed on the Union Territory</li> <li>• The financial assistance to the Union Territory in form of Consolidated Fund</li> <li>• The allocation of the total proceeds from the taxes, tolls, duties, and fees imposed by the union territory, which is to be divided between the Union Territory</li> <li>• Determining the financial roles of the Union Territory pertaining to development</li> <li>• The allocation of the total yield pertaining to taxes, tolls, duties, and fees imposed by the Union Territory</li> </ul>	<a href="https://business.mapsofindia.com/finance-commission/state/chandigarh.html">https://business.mapsofindia.com/finance-commission/state/chandigarh.html</a>
6.	Chhattisgarh	3 <sup>rd</sup> (2016-20)	<ul style="list-style-type: none"> <li>• To review the financial condition of the Panchayats in the state</li> <li>• To take such steps that lead to the improvement of the economic condition of the various Panchayats in the state</li> <li>• To decide the taxes, tolls, duties, and fees that may be levied by the various Panchayats in the state</li> <li>• To distribute between the state government and the various Panchayats in the state the taxes, duties, fees, and tolls that have been levied by the state</li> <li>• To allot the various Panchayats in the state funds from the Consolidated Fund of the State</li> </ul>	<a href="https://business.mapsofindia.com/finance-commission/state/chhatisgarh.html">https://business.mapsofindia.com/finance-commission/state/chhatisgarh.html</a>
7.	Delhi	5 <sup>th</sup> (2016-20)	<ul style="list-style-type: none"> <li>• The objectives of the Delhi Finance Commission, serves the purpose of better functioning of the of the committee</li> <li>• The allocation of the total proceeds from the taxes, tolls, duties, and fees imposed by the union territory, which is to</li> </ul>	<a href="http://delhi.gov.in/wps/wcm/connect/doiit_dfc/m/Fifth+Delhi+Finance+Commission/Home/Fifth+Delhi+Finance+Commission">http://delhi.gov.in/wps/wcm/connect/doiit_dfc/m/Fifth+Delhi+Finance+Commission/Home/Fifth+Delhi+Finance+Commission</a>

			<p>be divided between the Union Territory</p> <ul style="list-style-type: none"> <li>• Determining the duties, tolls, taxes, and fees, which are to be imposed on the Union Territory</li> <li>• The allocation of the total yield pertaining to taxes, tolls, duties, and fees imposed by the Union Territory</li> <li>• The financial assistance to the Union Territory in form of Consolidated Fund</li> <li>• Determining the financial roles of the Union Territory pertaining to development</li> </ul>	
8.	Gujarat	3 <sup>rd</sup> (2011-2015)	<ul style="list-style-type: none"> <li>• Devolution of almost Rs 1,00,000 crore to 400 local bodies over five years. It rope in academic institutions to conduct studies for strengthening these bodies.</li> <li>• Local taxes like professional tax, entertainment tax, education cess, water tax and surcharge on stamp duty constitute 25-45% of the revenues of respective bodies. The rest, roughly 65%, comes from central and state grants.</li> </ul>	<a href="http://gstfc.gujarat.gov.in/">http://gstfc.gujarat.gov.in/</a>
9.	Haryana	5 <sup>th</sup> (2016-2021)	<ul style="list-style-type: none"> <li>• An amount of Rs. 312.45 has been provided for the year 2016-17 on the basis of recommendations of 4<sup>th</sup> Finance Commission Award.</li> </ul>	<a href="https://business.mapsofindia.com/finance-commission/state/haryana.html">https://business.mapsofindia.com/finance-commission/state/haryana.html</a>
10.	Himachal Pradesh	5 <sup>th</sup> (2017-2022)	*	<a href="https://himachal.nic.in/index1.php?lang=1&amp;pt_id=1&amp;level=0&amp;linkid=106&amp;lid=113">https://himachal.nic.in/index1.php?lang=1&amp;pt_id=1&amp;level=0&amp;linkid=106&amp;lid=113</a>
11.	Karnataka	4 <sup>th</sup> (2018-23)	<ul style="list-style-type: none"> <li>• Devolution of funds to ULBs, class- wise.</li> <li>• The total revenue receipts are expected to grow from 162765crore during 2018-19(BE) to 224881crore during 2021-22.</li> <li>• State own tax revenue is projected to grow from 103068 crore in 2018-19 to 141710crore in 2021-22.</li> <li>• The non-tax revenue is expected to grow from ` .8163 crore to ` .9462 crore during the same period.</li> </ul>	<a href="http://www.sfckarnataka.mrc.gov.in/">http://www.sfckarnataka.mrc.gov.in/</a>

12.	Kerala	5 <sup>th</sup> (2016-2021)	<ul style="list-style-type: none"> <li>• The Commission recommends that KURDFC shall be designated as nodal agency to clear all formalities relating to availing of loans by Local Governments for remunerative projects</li> <li>• The Commission recommends that Performance Audit System in Urban Local Governments should be strengthened urgently and adequate staff should be provided either through fresh recruitment or through deployment in this regard, so as to make the system as envisaged in the Act and Rules</li> <li>• The Commission recommends that the LSGD shall take urgent steps to notify the asset register in the official gazette so as to help the Local Governments to claim legal validity over the assets owned by them.</li> <li>• The Commission recommends that the CTFM under the control of Finance Department and the DAC in GIFT shall be entrusted with the task of imparting training to Local Government staff with regard to finance, accounting, and related matters. The KILA may also be associated while designing the training programme. A fee may be collected from the sponsoring institution in this regard</li> <li>• The Commission recommends that the LSGD shall come out immediately with a budget manual applicable to both rural and urban LGs</li> <li>• The budgets of LGs should be more realistic based on systematic and scientific estimates</li> <li>• The commission recommended that 20% of the net proceeds of the annual SOTR should be devolved to LGs as total devolution on t (current year) basis in 2016–17. For the subsequent years, an annual increase of 1% is recommended</li> </ul>	<a href="http://finance.kerala.gov.in/index.php?option=com_content&amp;view=article&amp;id=177">http://finance.kerala.gov.in/index.php?option=com_content&amp;view=article&amp;id=177</a>
13.	Madhya Pradesh	5 <sup>th</sup> (2020-	*	<a href="http://finance.mp.gov.in/order_epau_2017-03-17.PDF">http://finance.mp.gov.in/order_epau_2017-03-17.PDF</a>



		2025)		
14.	Maharashtra	5 <sup>th</sup> (2019-2024)	*	<a href="https://business.mapsofindia.com/finance-commission/state/maharashtra.html">https://business.mapsofindia.com/finance-commission/state/maharashtra.html</a>
15.	Odisha	5 <sup>th</sup> SFC (2020-25)	<p>Financial Recommendations:</p> <ul style="list-style-type: none"> <li>To limit the total transfer to the local bodies within 10% of net visible pool of state taxes projected for the award period from 2015-20</li> <li>3% of the net tax revenue during the period of 2015 - 20 is to be devolved and distributed between the PRIs and UBLs in the ratio of 75:25.</li> <li>To exclude the entry tax, entertainment tax and motor vehicle tax from the sharable pool and assign a part these taxes to the local bodies.</li> <li>Inter-se distribution among the three tiers of local bodies is based on population, category and number of units like gram panchayat and panchayat samities etc.</li> <li>The amount to be devolved in the local bodies is basis of size, density and the percentage of population below poverty line (Tendulkar methodology), literacy rate and SC&amp;ST concentration.</li> <li>Allocation of an additional amount 20% to the panchayat under TSP area out of the total devolution –devolution proper and some specific grants for PRIs.</li> <li>Inter-se distribution of devolution amongst three tiers of PRIs is to be in the ratio of 75:20:05</li> <li>The commission has recommended discontinuous of assignment like Kendu leaf, Cess, Sairat, Minor Forest Produce etc. for rural areas.</li> <li>Entry tax should be the legitimate revenue of not only urban local bodies, but also for Panchayati Raj Institutions and this tax should be assigned to both.</li> <li>Grants-in-aid to meet the fund requirement partly and fully for the selected focused areas.</li> </ul>	<a href="http://finance.odisha.gov.in/StateFinanceCommission.asp?GL=State">http://finance.odisha.gov.in/StateFinanceCommission.asp?GL=State</a>

			<ul style="list-style-type: none"> <li>• To transfer of Rs. 25325.03 crore out of which Rs. 12740.08 crore from the state's taxes and consolidated fund.</li> </ul> <p>Non-Financial Recommendations:</p> <ul style="list-style-type: none"> <li>• New panchayat shall be created where population has exceeded 10000 and the existing panchayats having more than 7500 population shall be strengthened by placing technical and other functionaries exclusively for them while smaller panchayats are continue share functionaries for the time being as it is the practice now.</li> <li>• Administrative powers of the officials, engineers, technical functionaries in the local bodies shall be enhanced at least two times to facilitate undertaking routine works locally without sending estimates upwards for approval.</li> <li>• The municipal authority required more liberty to function with in their legitimate domain of operation without waiting for government's approval.</li> <li>• Municipal cadre shall be put in a place as quickly as possible. The present LFS and non-LFS be gradually phased out and replaced by the organized municipal cadre, so municipal bodies are served by competent professionals in due courses.</li> <li>• A mechanism to transfer maintenance of the entire water supply to the urban local bodies in phases. The services of the existing staff along with finance shall be placed with the local bodies.</li> <li>• Constitution of separate directorate and municipal administration</li> <li>• Action shall be initiated to the officials who have illegally recruited staff after 2005 in the municipal bodies.</li> <li>• For an amendment of GP act enabling GPs to collect advertisement tax at the rate decided by them and to introduce property tax so that GPs may be empowered to levy property tax</li> </ul>	
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16.	Punjab	5 <sup>th</sup> (2016-2021)	<ul style="list-style-type: none"> <li>• Continuation of existing devolution of 4% share of net proceeds of State Taxes to Local Bodies for the year 2016-17 to 2020-21.</li> <li>• transfer of Rs. 4364.40 crore (Estimated) to both Rural and Urban Local Bodies, with the State Government accepting the Commission's recommendations regarding share of Urban Local Bodies and Inter-se distribution among PRIs.</li> </ul>	<a href="https://business.mapsofindia.com/finance-commission/state/punjab.html">https://business.mapsofindia.com/finance-commission/state/punjab.html</a>
17.	Rajasthan	5 <sup>th</sup> (2015-2020)	<ul style="list-style-type: none"> <li>• Distribution of divisible amount of Rs. 3,271.81 crore among PRIs and ULBs, we recommend to adopt rural urban population ratio of 75.1% and 24.9% for PRIs and ULBs respectively as per 2011 census figures. Accordingly, the share of PRIs would work out to be Rs. 2457.13 crore and ULBs Rs. 814.68 crore.</li> <li>• transfer of 85% funds for basic and development functions, 10% for improvement in standards of administration, maintenance of database, implementation of national priority schemes, capacity building etc.</li> <li>• It has been observed that the Panchayati Raj Institutions are not making payment of electricity and other pending bills of Janta Jal Yojna, whereas the responsibility of paying these claims lies with them. The Finance Department has also stressed in March, 2015 the need for clearing the pending claims of Drinking Water Supply Schemes out of SFC funds. We, therefore, recommend that the pending claims of Janta Jal Yojna may be paid out of 85% funds being given by us for basic and development functions. It will be the responsibility of the department to ensure utilization of grants recommended by us.</li> <li>• 10% specific purpose grants and 5% incentive grants local bodies will make some additional efforts in the</li> </ul>	<a href="http://www.sfc.rajasthan.gov.in/">http://www.sfc.rajasthan.gov.in/</a>

			<p>desired direction and the willing ones will be able to get some support. We consider this as a significant step towards supporting the process of capacity building of the local bodies.</p> <ul style="list-style-type: none"> <li>• To address the problem of non-maintenance of accounts of income and expenditure, other records including Asset Register and rising of own revenues providing 5% amount as incentive out of total amount recommended by us for transfer to Panchayati Raj Institutions can significantly help in this direction.</li> <li>• Recommend that the amount of incentive grants which works out to be Rs. 122.86 crore in respect of PRIs may be provided for payment of incentive to PRIs. The Panchayati Raj Department may issue detailed scheme for utilization of incentive grants and notify the same to Panchayati Raj Institutions up to Gram Panchayat level.</li> <li>• The 14th Central Finance Commission has changed the grant pattern of PRIS. In view of this we are recommending release of 5% funds for Zila Parishads, 15% funds for Panchayat Samities and rest 80% funds are earmarked for Gram Panchayats. The Fourth State Finance Commission had recommended 50% devolution on population, 10% on geographical area and 10% on average revenue mobilisation basis for the Urban Local Bodies. Since the figures relating to revenue mobilisation of all the urban local bodies of recent period are not available at this point, we, therefore, have decided to raise the ratio of population to 55% and area to 15% for distribution of 70% funds to all the Urban Local Bodies. We recommend balance 30% to be distributed among the Municipalities on population basis as they have a weak revenue base.</li> <li>• Recommend sanction of 'incentive grants' out of 5% amount of the total funds proposed for transfer to ULBs which works out to Rs 40.73 crore. This amount is to be</li> </ul>	
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			used for rewarding and incentivising urban local bodies which makes considerable efforts in raising own revenues, maintenance of accounts and records as prescribed by the department, as also completion of enrolment and distribution of Bhamashah Card of all eligible persons in its area of jurisdiction	
18.	Sikkim	5 <sup>th</sup> (2020-2025)	<p>Devolution</p> <ul style="list-style-type: none"> <li>• An amount of at least 4.5% of the net proceeds of State's taxes, fees, and levies should be devolved to PRIs and ULBs for the period of 2020-2025. This resource should be made available to PRIs and ULBs in the beginning of each financial year.</li> <li>• The Commission recommends that an amount of 0.5% of the net proceeds of the State's Own Resources should be allocated for the State level Capacity Building Fund. This Fund should be utilised by RM&amp;DD and UD&amp;HD for accessing specific capacity inputs from the market.</li> <li>• The Commission recommends that an additional 0.5% of the net proceeds should be allocated for special support to a certain number of PRIs and ULBs which are constrained by topography as well as inaccessibility and other peculiarities.</li> <li>• The Commission recommends for the formation of a SFC Cell within FRED for the utilisation of all these funds for capacity building.</li> <li>• The Commission recommends that in addition to resource transfer, the LGIs should be prepared to play the expected role by providing them additional modern governance capacity inputs.</li> <li>• The Commission recommends for enhanced collection of taxes, fees and levies by PRIs and ULBs which may vary in different PRIs and ULBs in different regions.</li> </ul>	<a href="https://www.northeasttoday.in/fifth-state-finance-commission-submits-report-to-sikkim-cm/">https://www.northeasttoday.in/fifth-state-finance-commission-submits-report-to-sikkim-cm/</a>

			<ul style="list-style-type: none"> <li>• LGIs must be encouraged to deliberate upon innovative sources for generating their own resources, these charges must not be imposed irrationally.</li> <li>• The State government should provide infrastructure and facilities available with them on concessional or subsidised rates to the PRIs and the ULBs for carrying out any activities related to their own resource mobilisation.</li> <li>• The Commission recommends that those PRIs and the ULBs that are not in a position to access appropriate sources for generating their own revenue, due to their remoteness or certain peculiar circumstances, should be considered for remedial or compensatory measures by the State Government.</li> <li>• The Commission recommends that the RM&amp;DD in rural areas and UD&amp;HD in urban areas in consultation with respective departments must identify/map constructions like Rural Marketing Centres and Tourism Wayside Amenities that are either underutilized or abandoned. Such infrastructure must be handed over to the respective LGIs for optimal utilisation.</li> <li>• The Commission recommends that the terms and conditions associated with any such transfer and services associated with it should not be financially detrimental to financial or non-financial functions of PRIs.</li> <li>• The terms and conditions of aforementioned transfers should be mutually agreed between the agency of state government and the PRIs.</li> <li>• An institutional arrangement must be made to optimise and pool the available CSR resources and distributed in every district.</li> <li>• The pooled resources should be appropriately managed for development expenditure through the District Planning Committee in the district.</li> </ul>	
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			<ul style="list-style-type: none"> <li>• The detailed guidelines for such pooling and distribution of resources should be discussed and agreed between Representatives of Corporates and the nodal departments</li> <li>• The Commission recommends the State to provide appropriate technical guidance and support in this regard such as organic farming for floriculture and horticulture. The role of the GPs and the ZPs would be in marketing the farm produce collectively.</li> <li>• The Commission recommends promoting village tourism through the concept of home stays by forming clusters of interested GPUs. The PRIs will play a role as a marketing agent of these home stays and therefore ensure the quality of services provided to the tourists.</li> <li>• The Commission recommends for the implementation of a participatory consolidation process under the GPDPs within the control of the DPC. Financial federation of GPUs will usher healthier relations between GPUs and ZPs.</li> <li>• The Commission recommends that intra-organisation coordination for this is important. This is visualised between PRIs and ULBs for proper development of urban business models and ultimately, coordination should be maintained to keep the supply chain intact between UD&amp;HD, RM&amp;DD, PRIs and ULBs and a holistic development model will be created.</li> <li>• The Commission recommends incentivising coordination between GPUs, ZPs and ULBs. This includes: <ul style="list-style-type: none"> <li>I. Regular meetings of Gram Sabha are with due processes of participation and decision making, and documentation.</li> <li>II. Similarly, the UD&amp;HD must ensure regular meetings of the Area Sabha's, on the lines of meetings of Gram Sabha's.</li> </ul> </li> </ul>	
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			<p>III. The nodal departments RM&amp;DD and UD&amp;HD must support every PRI and ULB respectively, to prepare an annual calendar of their activities.</p> <p>IV. The joint deliberation and planning meetings must take place among the GPUs of a BAC, along with ZP members from the BAC, at least once in every quarter.</p> <p>V. Similarly, the Secretary of District Planning Committee must ensure that representatives of ZPs and ULBs do meet at least twice in a year to discuss the emerging development opportunities and challenges.</p> <ul style="list-style-type: none"> <li>• The Commission recommends the creation of Panchayats and Municipal Cadres, and Directorate of ULBs.</li> <li>• The Commission recommends that the Capacity Building arrangements in the State should be reviewed to explore their convergence for undertaking integrated capacity building approaches.</li> <li>• The Commission recommends for an unambiguous and efficient accountability mechanism for all financial expenditures done at the level of the PRIs and the ULBs as well as expenses incurred by nodal departments for the PRIs and the ULBs. All such expense related data should be made available in one place for scrutiny of State audit authorities.</li> <li>• The RM&amp;DD must prepare and implement a Result Based Monitoring System on the basis of Responsibility Matrix for PRIs and the DPCs.</li> <li>• The Commission recommends for separate offices as well as a town hall should be constructed for each of the ULBs of the State.</li> </ul>	
19.	Tamil Nadu	5 <sup>th</sup> (2017-2022)	<ul style="list-style-type: none"> <li>• Recommended that 56:44 sharing ratio between rural local bodies and urban local bodies may be adopted while the vertical sharing between the rural local</li> </ul>	<a href="http://www.tn.gov.in/tnsfc/fifth_sfc/govt_orders.html">http://www.tn.gov.in/tnsfc/fifth_sfc/govt_orders.html</a>



			<p>bodies may be determined at 8:37:55 among district panchayats, panchayat unions and village panchayats.</p> <ul style="list-style-type: none"> <li>• The proportion of revenue from minor minerals to be shared with local bodies should be fixed at 60 per cent to leave the government with an incentive to levy and collect this revenue more effectively at higher rates.</li> <li>• Sixty per cent of revenue from sand quarrying should also be transferred to local bodies on the same basis as other minor mineral-based revenue.</li> </ul>	
20.	West Bengal	4 <sup>th</sup> (2015-20)	<ul style="list-style-type: none"> <li>• The Commission recommends for SFC Grants to the tune of Rs.1103.80 crore for the financial year 2015-16 which will constitute 2.5% of the projected State's own Tax revenue. Of this SFC Grants of Rs.1103.80crore, share of GP, PS, ZP and ULB as vertical devolution will be Rs.153.00 crore, Rs.253.50 crore, Rs.224.81 crore and Rs.442.49 crore, respectively in 2015-16.</li> <li>• The Commission also recommends a progressive enhancement of SFC Grants at the rate of 15% per annum from 2016-17 onwards. Therefore, on an average a GP in West Bengal will be annually entitled to a sum of Rs.6.16 lakh, a PS Rs.1.00 crore, a ZP Rs. 15.16 crore and a ULB Rs.4.66 crore during 2015-16 to 2019-20</li> <li>• The Commission further recommends that 60% of recommended grant should be spent towards creation of new assets and 40% of the grant should be spent as expenditure towards payment of electricity bills, O &amp; M cost of water supply schemes, street lights and regular maintenance of other assets created by the Urban Local Bodies.</li> <li>• The Commission is of the opinion that the idea of an incentive fund should continue to stimulate the performance of the Local Bodies and, therefore,</li> </ul>	<a href="http://www.fincomwb.nic.in/">http://www.fincomwb.nic.in/</a>

			<p>recommends that 4% of the grant be earmarked as Performance Grant from the 2nd year i.e., 2016-17. This amount will be proportionately retained at the disposal of i) Panchayats &amp; Rural Development and ii) Municipal Affairs Department.</p> <ul style="list-style-type: none"> <li>• The Commission has observed that the Fourteenth Finance Commission recommended grants in favour of only Gram Panchayats and the ULBs with an increase in fund flow while the responsibilities of financing the other two tiers of RLB i.e., PS and ZP have been bestowed upon the State Government. The Commission, therefore, while recommending the allocation in favour of three tiers of the RLBs considered it necessary to make up the loss of PS and ZP to the extent permissible under the limited financial abilities of the State Government.</li> <li>• The Commission is of the opinion that the existing system of sharing of Entertainment Tax in the ratio of 80:20 for Municipalities and Panchayats after retaining 10 percent by the State Government for covering Administrative, Legal and other costs associated with 307 collection of the aforesaid tax should continue, keeping in view the additional burden on the Local Bodies to collect such taxes.</li> </ul>	
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\*Not Available

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