

SUMMARY OF RECOMMENDATIONS

Our important recommendations to the Governor of Assam are as follows:-

LOCAL FINANCE DATA BASE

- 8.1 Registers and forms for proper accounts and records to be maintained by each local body with effect from 1st of April, 1997. Cost of the same to be met by the State Government out of plan fund as grants to local bodies at the rate of Rs.1000 per local body for 1997-98 and @ Rs.500.00 per local body for 1998-99, 1999-2000 and 2000-2001.

(Reference chapter II)

DEVOLUTION OF TAXES

- 8.2 Share of the State taxes for transfer to local bodies and inter-se-distribution to be made on the existing basis. Existing rate and existing units of taxes to continue for sharing except the additional 10% of Motor Vehicle Tax for sharing to rural local bodies. Share of Motor Vehicles Tax for urban areas to be on the basis of number of vehicles in the areas while share to rural local bodies to be made on the basis of population of each rural local body as latest census. The total percentage of share of State Taxes for transfer to local bodies should be 2% in each of the years from 1996-97 to 2000-2001 amounting to Rs.17.83 crores, Rs.20.06 crores, Rs.22.50 crores, Rs.25.16 crores and Rs.28.20 crores respectively.

(Ref. Chapter-III)

GRANTS-IN-AID

- 8.3 Grants in aid under 73rd amendment to Rural local bodies and under 74th amendment for urban local bodies for implementing the core subjects of development in the areas of local bodies under their respective jurisdiction. Fund of Rs.147.56 crores as per award of the Tenth Finance Commission be distributed equally in each year from 1996-97 to 1999-2000 as grants-in-aid by the State Government to each local body on the basis of population as per 1971 census out of the fund allocated under the State Plan. Equivalent annual amount as in 1999-2000 may be given by the State Government as grants to local bodies during 2000 to 2001 on the same basis out of plan fund. Similarly for preparation of registers and forms grants may also be given by the State Government to local bodies out of plan fund. The year wise total amounts of grants are as follows.

<u>1996-97</u>	<u>1997-98</u>	<u>1998-99</u>	<u>1999-2000</u>	(Rs. in lakhs) <u>2000-2001</u>
3689.00	3714.54	3701.77	3701.77	3701.77

No transfer of fund out of Non-plan provision of the State Government to be made to local bodies other than that for share of State taxes.

(Ref. Chapter-IV)

AUGMENTATION OF RESOURCES

8.4 Transfer of subject for registration of birth and death certificate from Health & Family Welfare Department to the Local Bodies. Urban local bodies to issue such certificate in respect of their areas. In case of rural areas such transfer from the Health & Family Welfare Department to the Gaon Panchayats may be affected after the Gaon Panchayat's functioning is stabilised. The local bodies may collect necessary fees per certificate. House tax to cover the new house holds on the basis of floor area, revision and assessment of house tax in every five years, taxes should also cover all types of building including community hall, factories with highest rate for commercial type of buildings, user charge to be levied.

(Ref. Chapter-V)

DEBT RELIEF

8.5 Outstanding State Government loan as on 31st March, 1996 of the Municipalities to be consolidated into a single block loan to be repaid in 30 annual equal instalment with interest @5% per annum to be effective from 1996-97. Hence-forth distribution of plan outlay between the loan component and non loan component should be at the ratio of 1:3. Outstanding State Government loans of the Panchayats as on 31.3.96 estimated at Rs. 46.40 lakhs be written off.

(Ref. Chapter-VI)

GENERAL OBSERVATION

8.6 High Power Committee headed by the Chief Secretary of the State Government to be constituted to review the flow of funds to local bodies in every six months. Permanent arrangement in the Finance Department of the State Govt. be made to monitor the follow up action on the recommendations of the Finance Commission and to maintain the records of the present State Finance Commission for reference for future State Finance Commissions. In view of the difficult financial position of the local bodies no fresh recruitment should be made. Gaon Panchayats constituted having population in between 6000 to 8000 can only be accepted and others may be reconstituted as per provisions of law. Panchayat Election be held regularly for transferring power to elected body. Tariff Commission to be set up for streamlining the existing rates, taxes etc. of the local bodies and also to look into the service conditions and staffing pattern of the Urban local bodies. Posting of regular executive officer to Urban local bodies for affective functioning with necessary statutory provisions.

(Ref. Chapter VII)

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