

GOVERNMENT OF ASSAM
FINANCE (ECONOMIC AFFAIRS) DEPARTMENT

Dated Dispur the June 19, 2010

No FEA (SFC) 59/2010/12

From: Shri H.S Das, IAS
Principal Secretary,
Finance Department, Dispur.

To: The Principal Secretary /Commissioner & Secretary to the Government of Assam
Panchayat & Rural Dev. /Urban Development / G.D/ Home / WPT&BC / Hills
Areas/Home /Power, Mines & Mineral Departments.

Sub: **Action on various issues in respect of the Local Self Government Institutions (LSGI)
under award of the 13th Finance Commission.**

Sir,

I am directed to say that under the award of the Thirteenth Finance Commissions, huge funds will be transferred to PRIs and ULBs for (a) General basic grants, (b) general performance grants, (c) Special areas basic grant and (d) Special areas performance grant. Funds of Thirteenth Finance Commission will be released by the Government of India subject to fulfillment of some conditions. So, actions may kindly be taken by concerned departments on the following issues to comply with the conditions for release of funds.

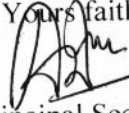
Sl No	Recomm endation No	Para No	Gist of the recommendations of the 13 th Finance Commission	Action to be taken by concerned Department
1	10.182	10.125	Article 243-I of the Constitution should be amended to include the phrase 'or earlier' after the words 'every fifth year' (Para 10.125)	Finance Department
2	10.183	10.159	The quantum of local body grants may be provided as per Table 10.4. The general basic grant as well as the special areas basic grant be allocated amongst states as specified. The state-wise eligibility for these grants is placed in annexes 10.15a and 10.15c. (Para 10.159)	Finance, P&RD, UD and GD Department
3	10.184	10.161, 10.162, 10.163, 10.164	State Governments will be eligible for the general performance grant and the special areas performance grant only if they comply with the stipulations in paras 10.161 and 10.162 respectively. These grants will be disbursed in the manner specified in paras 10.163 and 10.164. The state wise eligibility for these grants is placed in annexes 10.15b and 10.15d.	Finance (Budget), Finance (A&F.), Finance (Estt.-B), SFC Cell, P&RD, UD and GD Department in consultation with the respective administration departments.
4	10.185	10.170	States may appropriately allocate a portion of their share of the general basic grant and general performance grant, to the 'excluded areas' in proportion to the population of these areas. This allocation will be in addition to the special area basic grant and special area performance grant recommended by us (Para 10.170).	SFC Cell of Finance Department
5	10.186	10.167	State Governments should appropriately strengthen their	Finance

			local fund audit departments through capacity building as well as personnel augmentation (Para 10.167).	(A&F)/Finance (Estt.B)
6	10.187	10.173	The State Governments should incentivise revenue collection by local bodies through methods such as mandating some or all local taxes as obligatory at non-zero rates of levy; by deducting deemed own revenue collection from transfer entitlements of local bodies or through a system of matching grants (Para 10.173).	P&RD, UD and GD Department
7	10.188	10.177	To buttress the accounting system, the finance accounts should include a separate statement indicating head-wise details of actual expenditures under the same heads as used in the budget for both PRIs and ULBs. We recommend that these changes be brought into effect from 31 March 2012 (Para 10.177).	Finance (Budget) Department in consultation with the respective Admn. Departments
8	10.189	10.178	The Government of India and the State Governments should issue executive instructions that all their respective departments pay appropriate service charges to local bodies (Para 10.178).	P&RD, UDD and GD Department in consultation with the respective Admn. Depts
9	10.190	10.179	Given the increasing income of State Governments from royalties, they should share a portion of this income with those local bodies in whose jurisdiction such income arises (Para 10.179).	Power Mines & Minerals Department
10	10.191	10.129	State Governments should ensure that the recommendations of SFCs are implemented without delay and that the Action Taken Report is promptly placed before the legislature (Para 10.129).	State Finance Commission
11	10.192	10.127	SFCs could consider adopting the template suggested at Annexure 10.5 as the basis for their reports (Para 10.127)	SFC Cell of Finance Department
12	10.193	10.180	We recommend setting up of bodies similar to the SFC in states which are not covered by Part IX of the Constitution (Para 10.180).	WPT&BC and Hills Areas Department
13	10.194	10.79	Local bodies should consider implementing the best identified practices (Para 10.79).	P&RD , UDD and GD Department
14	10.195	10.172	A portion of the grants provided by us to urban local bodies may be used to revamp the fire services within their jurisdiction (Para 10.172).	UD/GD and Homes Department
15	10.196	10.168	Local bodies should be associated with city planning functions wherever other development authorities are mandated this function. These authorities should also share their revenues with local bodies (Para 10.168).	UD/GD Department
16	10.197	10.169	The development plans for civilian areas within the cantonment areas (excluding areas under the active control of the forces) may be brought before the district planning committees (Para 10.169).	P&RD /UD/GD Department
17	10.198	10.133	State Governments should lay down guidelines for the constitution of nagar panchayats (Para 10.133).	UD Department

SFC Cell of Finance (EA) Department has already circulated copies of the Report of the 13th Finance Commission for necessary action.

You are requested, to take necessary action on the **concerned recommendations para/paras of Chapter 10 of the Report (LOCAL BODIES)** of the Thirteenth Finance Commission 2010-15 above. Further SFC Cell of Finance (EA) Department will circulate the guidelines of recommendations of 13th Finance Commission for Local bodies as soon as received from GOI, Ministry of Finance.

Yours faithfully,


19/6/10
Principal Secretary,
Finance Department

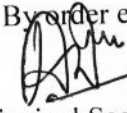
Memo No FEA (SFC) 59/2010/12-A

Dated Dispur the June 19, 2010

Copy to:

1. Joint Secretary/Deputy Secretary, Finance (Budget)/ Finance (A&F)/Finance (Esstt.-B) Department for necessary action.
2. Commissioner, Guwahati Municipal Corporation, Panbazar, Kamrup, Ghy-01.
3. Commissioner, Panchayat & Rural Development, Punjabari, Juripar, Guwahati, Assam.
4. Director, Municipal Administrative (MA), Dispur, Secretariat Complex.
5. Principal Secretary, BTC, Kokrajhar/ NC Hills, Haflong/ KAAC, Diphu.

By order etc.,


19/6/10
Principal Secretary,
Finance Department

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