

LOK SABHA

THE CONSTITUTION (SEVENTY-THIRD AMENDMENT) BILL, 1991 (INSERTION OF NEW PART IXA AND ADDITION OF TWELFTH SCHEDULE)



REPORT OF THE JOINT COMMITTEE

(Presented on 14 July, 1992)



**LOK SABHA SECRETARIAT
NEW DELHI**

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**JOINT COMMITTEE ON THE CONSTITUTION (SEVENTY-THIRD AMENDMENT) BILL, 1991
(INSERTION OF NEW PART IXA AND ADDITION OF TWELFTH SCHEDULE)**

COMPOSITION OF THE COMMITTEE

Shri K.P. Singh Deo — *Chairman*

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Shri Chitta Basu
4. Shri Girdhari Lal Bhargava
5. Prof. Malini Bhattacharya
6. Shri Probin Deka
7. Prof. Ashokrao Anandrao Deshmukh
8. Shri Dau Dayal Joshi
9. Shri Shankarrao D. Kale
10. Shri Tarachand Khandelwal
11. Kum. Padmasree Kudumula
12. Smt. Sumitra Mahajan
13. Shri Suraj Mandal
14. Shri Yelliah Nandi
15. Dr. Debi Prosad Pal
16. Shri Hari Kewal Prasad
17. Shri Ebrahim Sulaiman Sait
18. Kumari Selja
19. Shri Hari Kishore Singh
20. Shri P.C. Thomas

Rajya Sabha

21. Shri Mohammed Afzal *Alias* Meem Afzal
22. Shri N.E. Balaram
23. Shri Radhakishan Malaviya
- *24. Shri Bhaskar Annaji Masodkar
- **25. Shri Ghulam Rasool Matto
26. Shri S.K.T. Ramachandran
27. Shri Santosh Kumar Sahu
28. Shri Digvijay Singh
29. Shri K.N. Singh
30. Shri S. Viduthalai Virumbi

*Ceased to be member on his retirement from Rajya Sabha w.e.f. 4.7.1992.

**Nominated w.e.f. 13.5.1992 Vice Smt. Bijoya Chakravarty ceased to be member on her retirement from Rajya Sabha.

SECRETARIAT

1. Shri G.L. Batra —*Additional Secretary*
2. Shri S.C. Gupta —*Joint Secretary*
3. Shri R.K. Chatterjee —*Deputy Secretary*
4. Shri Ram Kumar —*Assistant Director*

LEGISLATIVE COUNSELS

1. Shri K.L. Mohanpuria —*Secretary*
2. Shri B.S. Saluja —*Joint Secretary and Legislative Counsel*
3. Shri K.N. Chaturvedi —*Deputy Legislative Counsel*

REPRESENTATIVES OF THE MINISTRY OF URBAN DEVELOPMENT

1. Shri R.V. Pillai —*Additional Secretary*
2. Shri K. Dharamarajan —*Joint Secretary*
3. Shri R.P.S. Pawar —*Deputy Director*
4. Dr. (Mrs.) Kiran Chadha —*Deputy Director*

REPORT OF THE JOINT COMMITTEE ON THE CONSTITUTION (SEVENTY-THIRD AMENDMENT) BILL, 1991 (INSERTION OF NEW PART IXA AND ADDITION OF TWELFTH SCHEDULE)

CHAPTER I

1.1 I, the Chairman of the Joint Committee to which the Bill* further to amend the Constitution of India viz. the Constitution (Seventy-third Amendment) Bill, 1991 (Insertion of new Part IXA and addition of XII Schedule) was referred, having been authorised to submit the Report on their behalf, present this Report.

1.2 The Bill was introduced in the Lok Sabha on 16 September, 1991. The motion for reference of the Bill to a Joint Committee of both Houses of Parliament was moved in Lok Sabha by Smt. Sheila Kaul, Cabinet Minister in the Ministry of Urban Development on 20 December, 1991 and was adopted (Appendix-I).

1.3 The Rajya Sabha concurred in the said motion on 21 December, 1991 (Appendix-II).

1.4 The message from Rajya Sabha was published in Lok Sabha Bulletin Part II on 24 December, 1991.

1.5 The Committee held 13 sittings in all. The first sitting was held on 27 January, 1992. At this sitting, the Committee considered their future programme of work and decided to invite memoranda containing comments / suggestions on the provisions of the Constitution (Seventy-third Amendment) Bill, 1991 by 24 February, 1992, from the State Governments / Union Territory Administrations, Bar Councils / Bar Associations, Chambers of Commerce and other Organisations, individuals etc. interested in the subject matter of the Bill for their consideration.

The Committee further decided that a detailed questionnaire on the subject might be prepared by the Ministry of Urban Development which could be forwarded to these organisations, bodies, individuals etc. to enable them to submit their Memoranda to the Committee.

The Committee further decided to hear oral evidence on the provisions of the Bill from interested parties and authorised the Chairman to select parties / individuals etc. for the purpose after receipt of memoranda / questionnaire.

Accordingly, a Press Communique inviting memoranda and requests for oral evidence was issued on 28 January, 1992. The Director-General, All India Radio and the Director-General, Doordarshan, New Delhi were also requested to broadcast the contents of the Press Communique from all stations of All India Radio / telecast it from all Doordarshan Kendras on three successive days in English and Hindi and in regional languages.

1.6 As per decision taken by the Committee, a circular letter inviting memoranda containing comments / suggestions on the provisions of the Bill and request for oral evidence was also issued to the Chief Secretaries of all the State Governments / Union Territory Administrations, Bar Councils / Bar Associations / Municipal Corporations / Municipal Committees and individuals etc.

1.7 At their sitting held on 13 February, 1992, the Committee felt that as the Press Communique did not receive wide publicity as anticipated, an advertisement in the national and regional languages dailies besides Hindi and English might be issued. Accordingly, an advertisement inviting memoranda was given in National dailies by the Ministry of Urban Development.

The Committee also considered request received from various Associations / Organisations, individuals etc. for extension of time for submission of memoranda on the provisions of the Bill. The Committee, accordingly extended the time for submission of memoranda upto 31 March, 1992.

* Published in the Gazette of India, Extraordinary, Part II, Section 2, dated the 16 September, 1991.

1.8 40 Memoranda and 36 replies to questionnaire containing comments / suggestions on the provisions of the Bill were received by the Committee from various Associations / Organisations, Chambers of Commerce and individuals etc. (*vide* list at Appendix III & IV).

1.9 At their sittings held on 31 March, 8 and 22 April and 6 May, 1992 at Delhi the Committee took oral evidence of 10 local organisations and individuals, a list of persons who gave evidence before the Committee is at Appendix V.

1.10 The following three Sub-Committees formed by the Committee at their sitting held on 22.4.92, visited different places in the country from 25 May to 2 June, 1992 and held discussions with the officials of the State Governments, representatives of various organisations and individuals:

Sub-Committee	I	:	Calcutta, Guwahati, Shillong, Patna, Lucknow and Shimla.
Sub-Committee	II		Bhubaneswar, Hyderabad, Madras, Pondicherry, Trivandrum, Cochin and Goa.
Sub-Committee	III		Jaipur, Ahmedabad, Bhopal, Indore, Bombay and Bangalore.

The Committee also held discussion on 14 June, 1992 at Port Blair with the representatives of the Administration of Andaman and Nicobar.

1.11 At their sitting held on 19 June, 1992, the Committee decided to constitute a Sub-Committee of six members to consider the Chapter in the Report of the Committee on Municipal Finance. The Sub-Committee held their sitting on 25 June, 1992 and approved the draft Chapter with slight modifications.

1.12 The Report of the Committee was to be presented to the House by the last day of the first week of the Budget Session, 1992 *i.e.* 28 February, 1992. The Committee were granted one extension for presentation of the Report on 28 February, 1992 upto the last day of the first week of the Monsoon Session, 1992 *i.e.*, 10 July, 1992.

1.13 The Committee considered the Bill Clause-by-Clause at their sittings held on 17, 18 and 19 June, 1992.

1.14 The Committee decided at their sitting held on 3 July, 1992 that evidence tendered before them might be printed and laid on the Tables of both the Houses of Parliament.

The Committee further decided that two sets of memoranda containing comments/suggestions on the provisions of the Bill, received by the Committee might be placed in the Parliament Library, after the report had been presented, for reference by the Members of Parliament.

1.15 The Committee considered and adopted the Report at their sitting held on 3 July, 1992.

1.16 The observations of the Committee with regard to the principal changes proposed in the Bill are detailed in the succeeding paragraphs.

Article 243P—Definitions

1.17 The Committee have included in the Bill new articles 243ZD and 243ZE relating to District Planning Committee and Metropolitan Planning Committee respectively in which terms "District, Metropolitan area" and 'Panchayat' have been used. The definitions of "District, Metropolitan area" and 'Panchayat' have therefore, been included in this article as clauses (b), (c) and (d) respectively. Further, the definition of "Municipal area" as given in clause (c) has been slightly modified to link it with article 243Q whereunder the Municipal area for a Nagar Panchayat, a Municipal Council or a Municipal Corporation will be notified by the Government of a State. Other clauses in this article have been re-lettered accordingly.

Article 243R—Composition of Municipalities

1.18 The Committee feel that the language of this article should be brought in line with the language of article 243S and the representation of various persons in a Municipality should be

included in one clause. This article has been amended accordingly. The existing clause (1) has been omitted and existing clause (2) has been renumbered as clause (1). Existing clauses (3) to (5) have been clubbed in the new clause (2).

1.19 The Committee are of the opinion that there should be representation of Members of Parliament and of the State Legislature in municipalities. Sub-clauses (ii) and (iii) have, therefore, been added to new clause (2) to provide for representation of Members of Parliament and of the State Legislature.

Article 243S—Constitution and Composition of Committees at Ward level or other levels

1.20 There is a growing feeling that in the larger municipal bodies the citizens do not have easy access to the elected representatives since the ward-sizes become very large. The Committee therefore is of the view that within the territorial area of Municipalities having a population of three lakhs or more Wards Committees should be constituted. The details relating to the composition and the territorial area of the Wards Committee and the manner of filling seats in such Committees can be left to the State Legislatures. Further, the Committee feel that a member representing a ward in a Municipality, should be a member of the Wards Committee. The Committee are also of the opinion that where a Wards Committee consists of one ward, the member representing that ward in the Municipality should be the Chairperson of the Wards Committee. However, where a Wards Committee consists of two or more wards, one of the members representing such wards in the Municipality should be elected by the members of the Wards Committee to be its Chairperson. The article 243S has been amended accordingly.

1.21 The Committee also feel that nothing contained in the provisions of this article should prevent the Legislature of a State from making any provision for the constitution of committees in addition to the Wards Committees. A provision has been made in article 243S accordingly.

Article 243T—Application of certain articles of part IX to Municipalities

1.22 The Committee feel that all the provisions of Part IX relating to Panchayats, which have been made applicable to Part IXA proposed to be inserted by this Bill should be reproduced in full with suitable modifications. Accordingly, article 243D [except the provisos to clause (4)] of Part IX has been incorporated here as article 243T.

1.23 The Committee are of the view that the rotation of reserved seats should not be made mandatory and it should be left to the State Governments to rotate such seats. Clauses (1) and (3) of this article have been amended accordingly.

Article 243U—Duration of Municipalities etc.

1.24 The Committee feel that an election to constitute a Municipality should be completed before the expiry of its duration of five years and if dissolved earlier within six months of its dissolution. However, if the Legislature of a State passes a resolution that due to drought, flood, earth-quake or any other natural calamity or emergency, the election cannot be held within the said period of six months, the election can be postponed but must be held within a period of one year from the date of dissolution of the Municipality. The Committee also feel that an enabling provision may be made for the State Legislatures to provide by law for suspension or dissolution of a Municipality and where a Municipality is suspended or dissolved, it shall be given a reasonable opportunity of being heard by an authority to be constituted by such law. In case a Municipality is suspended, such suspension should not affect the continuation of the Wards and other Committees constituted under article 243S. Article 243E of Part IX has accordingly been incorporated as article 243U with suitable amendments to cover the above aspects.

Article 243V—Disqualifications for membership

1.25 The Committee feel that existing sub-clauses (a) to (d) of clause (1) are covered by the provisions of sub-clause (e) which relates to disqualifications for elections to the Legislature of the State. Further, the Committee feel that with the advent of education, the level of awareness amongst people in small towns and cities has gone up and a person of the age of twenty-one years is responsible enough to hold a public office. The Committee are, therefore, of the opinion that all persons who have therefore, of the opinion that all persons who have attained the age of twenty-one years should be eligible for election to the Municipalities. The Committee are also of the view that the disputes relating to disqualification should be referred for the decision of such authority and in such manner as the Legislature of State may, by law, provide. Article 243F of Part IX has accordingly been incorporated as article 243V after omitting sub-clauses (a) to (d) of clause (1) and relatter the existing clauses (e) and (f) as sub-clauses (a) and (b). Other modifications have also been made to cover the above-mentioned aspects.

Article 243W—Powers, authority and responsibilities of Municipalities, etc.

1.26 The existing article 243V has been renumbered as article 243W without any other changes.

Article 243X—Power to impose taxes by, and Funds of, the Municipalities

1.27 Article 243H of Part IX has been incorporated as article 243X with slight modifications so as to substitute the expression “Panchayat” by the expression “Municipality”.

Article 243Y—Constitution of Finance Commission to review financial position

1.28 Article 243I of Part IX has been incorporated as article 243Y. The changes made in this article have been dealt with in Chapter II of this report.

Article 243Z—Form of accounts of Municipal Corporations and audit of accounts of such Corporations

1.29 Existing article 243J has been renumbered as article 243Z without any other changes.

Article 243ZA—Powers of Legislature of a State to make provisions with respect to election to Municipalities

1.30 The Bill provides that elections to Municipalities are to be conducted under the supervision direction and control of the Chief Electoral Officer of the State who is accountable to and a functionary of the Chief Election Commissioner so far as conduct of elections is concerned. The Committee feel that it should be left to the Legislature of a State to make provisions with respect to all matters relating to the elections to the Municipalities. Article 243K of Part IX has accordingly been modified and incorporated as article 243ZA.

Article 243ZB—Application to Union Territories

1.31 The Committee feel that the provisions of Part IXA proposed to be inserted by this Bill, should apply to all Union territories and that the enabling power of the President, not to apply the said provisions to any Union territory, should be omitted. The President should only have the power to apply the said provisions to any Union territory or part thereof subject to such exceptions and modifications as he may specify by public notification. Article 243L of Part IX has accordingly been modified and incorporated as article 243ZB.

Article 243ZC—Part not to apply to certain areas.

1.32 The existing article 243W has been renumbered as article 243ZC. The Committee feel that the power of Parliament to extend the provisions of Part IXA proposed to be inserted by this Bill to the Scheduled Areas and the tribal areas should be exercised only if the Legislature of the concerned State passed a resolution to that effect. Clause (2) of this article has been amended accordingly.

Article 243ZD—Committee for district planning.

1.33 The planning and allocation of resources at the district level for the Panchayati Raj institutions are normally to be decided at the Zila Parishad. In regard to urban areas, the municipal bodies discharge certain defined functions within their respective areas. However some important questions may arise which concern the urban-rural interface. There is need to take an overall view in regard to development of the district as a whole and decide on allocation of investment between rural and urban institutions. The Committee therefore feel that there should be a provision for Constitution of a District Planning Committee in every State at the district level with a view to consolidating the plans prepared by the Panchayats and the Municipalities in the district as a whole. In order to impart a democratic character to such Committees, not less than four-fifth of the total number of members of these Committees should be elected members of the Panchayat at the District level and of the Municipalities in the district in proportion to the ratio between the population of the rural areas and of the urban areas in the district. The other details relating to composition of the said Committees the manner of filling the seats therein, the functions relating to district planning to be assigned to such Committees and the manner in which the chairpersons of such Committees shall be chosen may be left to the State Legislatures keeping in view the local conditions. The District Planning Committee, in preparing the draft development plan, should have regard to matters of common interest between the Panchayats and the Municipalities including spatial planning, sharing of water and physical and natural resources, the integrated development of infrastructure and environmental conservation; the extent and type of available resources whether financial or otherwise, while preparing such the draft development plan, the said Committee should also consult such institutions and organisations as the State Governments may specify. The Draft development plan so prepared shall be forwarded to the State Government concerned by the Chairperson of the Committee. Article 243 ZD has been inserted accordingly.

Article 243 ZE: Committee for Metropolitan Planning.

1.34 There are 23 metropolitan cities in the country where the metropolitan area would encompass not only the main city corporation but also a number of other local bodies, both urban and rural surrounding the main city corporation. By the end of the century, this number may be about 45. These metropolitan areas influence the life and economy of the surrounding areas in several ways. To ensure that there is an orderly development of the fringe areas, proper plans for these areas need to be drawn up in association with the plan of the main city. Considerable investments in these cities are also undertaken by Central and State Government agencies. It is necessary to coordinate these investment plans with the developmental plans and requirements of the metropolitan city.

1.35 There is, therefore, a need for a suitable planning mechanism which would take care of the interaction between the various local bodies, both rural and urban in such metropolitan areas. At present, the system that is adopted in many metropolises is the creation of a metropolitan development authority. The functions assigned to the metropolitan development authority differ from case to case. In some cases, they are only planning bodies while in some cases they take on executive functions, particularly of major schemes. Further, at present, these bodies are not democratic institutions. They are nominated by the Government. While care is taken that there are some representatives on the body from different urban local bodies in the area, the forum is still not a democratic one wherein the opinions of the local bodies in the region can be articulated.

1.36 The Committee therefore feel that there should be a provision for constitution of a Metropolitan Planning Committee to prepare a draft development plan for the Metropolitan area as a

whole. In order to impart democratic character to the said Committees not less than two-thirds of the members of such Committees should be elected by and from amongst, the elected members of the municipalities and Chairpersons of the Panchayats in the metropolitan area in proportion to the ratio between the population of the municipalities and of the Panchayats in that area. The other details relating to composition of the said Committees, the manner of filling the seats therein, the representation in such Committees of Government of India and the Government of the State and other organisations and institutions, the functions relating to planning and coordination for the Metropolitan area to be assigned to such Committees and the manner in which the Chairpersons of such Committees shall be chosen may be left to the State Legislatures. The Metropolitan Planning Committee should, in preparing the draft development plan, have regard to the plans prepared by the Municipalities and the Panchayats in the Metropolitan area, matters of common interest between the Municipalities and the Panchayats including coordinated spatial planning of the area, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation, overall objectives and priorities set by the Government of India and the Government of the State; the extent and nature of investment likely to be made in the Metropolitan area by agencies of the Government and other available resources whether financial or otherwise. The said Committee should also consult such institutions and organisations as the State Government may specify. The draft development plan so prepared shall be forwarded to the State Government concerned by the Chairperson of the said Committee. Article 243ZE has been inserted accordingly.

Article 243ZF: Continuance of existing laws and Municipalities.

1.37 Article 243N of Part IX has been incorporated here as article 243ZF with slight modifications so as to change the reference to the "Constitution (Seventy-second Amendment) Act, 1992" to "Constitution (Seventy-third Amendment) Act, 1992."

Article 243ZG: Bar to interference by courts in electoral matters.

1.38 Article 243-O of Part IX has been incorporated here as article 243ZG with slight modification to change the reference to article "243K" to article "243ZA".

Clause 3

1.39 The Committee feel that amendment should be made in article 280 relating to constitution of Central Finance Commission so that the said Commission should make recommendations to the President as to the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Municipalities in the State on the basis of the recommendations made by the Finance Commission of the State. Clause 3 has accordingly been inserted in the Bill. The need for this amendment has been explained further in detail in chapter II of this Report.

Clause 4

1.40 The existing clause 3 has been renumbered as clause 4. The Committee feel that the Twelfth Schedule proposed to be inserted by clause 4 should also cover subjects relating to protection of the environment; public amenities including street lighting, parking lots, bus stops and public conveniences; regulation of slaughter houses and tanneries. Item 8 of the Twelfth Schedule has been amended accordingly and new items 17 and 18 have been inserted in the said Schedule.

Clause 1 and Enacting Formula:

1.41 The amendments made are of formal character.

CHAPTER II

ARTICLE 243Y AND CLAUSE 3—MUNICIPAL FINANCE

2.1 With the increasing pace of urbanisation, the municipal bodies responsible for providing a range of services to ensure a healthy environment have been unable to provide these services adequately resulting in growth and proliferation of slums, unplanned colonies, deteriorating civic services virtually culminating in a total urban chaos. It is now almost universally acknowledged that this is primarily on account of the woefully inadequate resources at the disposal of the municipal bodies/corporations.

2.2 Having regard to this inadequacy, the Bill had made provisions for putting on a firmer footing the relationship between the State Governments and the Urban Local Bodies in regard to functions and taxation powers and the arrangement for revenue sharing. Specifically Article 243T read with 243H of the Constitution (Seventy-second Amendment) Bill (incorporated as article 243X in the present Bill), make provisions for the legislatures of a State to provide by law the power to various municipalities to levy, collect and appropriate such taxes and duties, tolls and fees in accordance with the procedures and such limits as prescribed. It also provides for assignment of taxes etc. collected by the State Government to the municipalities and for making grants-in-aid by the State to the municipalities. Article 243T read with Article 243I of the Constitution (Seventy-second Amendment) Bill (incorporated as article 243Y in this Bill) provides for the constitution of a Finance Commission to review the financial position of the municipalities and to make recommendations in regard to the principles for the distribution of revenues between the States and the municipalities, for the determination of the taxes, duties etc. which may be assigned to the municipalities, and for grants-in-aid to be given by the State to the municipalities. The Committee, however, feel that these provisions in the Bill are not adequate as discussed in the following paragraphs.

Structure of Municipal Revenue :

2.3 Municipal revenue comprises basically internal and external sources of revenue. Among the internal sources tax and non-tax revenue constitute the two components. Tax revenue consists of revenue accruing from property tax,* octroi/entry duty and other taxes such as tax on professions, trade and commerce, pilgrim tax, advertisement tax etc. while non-tax revenue is made up of user charges, fees and fines, rents and prices from created assets etc. Among the external sources of revenue are shared revenue and grants-in-aid from the State and the Centre.

2.4 Municipal taxes continue to be the principal source of municipal revenues. As per the samples study of 1986-87 conducted by the National Institute of Urban Affairs, more than 54 per cent of the revenue accrues from municipal taxes and 13.5 per cent from non-tax sources. State-wise comparison, however, reveal lack of uniformity regarding tax revenue being the major source. Further, revenues from such taxes are gradually declining and not responding to the increasing needs as desired presumably due to these sources being increasing inelastic to the changes in the economy. The shares of tax revenue decreased from 63.6 per cent of total municipal revenue in 1974-75 to 54.3 per cent in 1986-87. Information gathered by the Committee during evidence shows that the position may have worsened. Financial transfers from States thus constitute an extremely important source of municipal revenues after tax-revenue. As per the study of 1986-87 of the external sources, grants constitute 16.7 per cent and shared revenue 5.8 per cent. The study has further highlighted that revenue taxes and grants-in-aid vary with the size of the urban centres in a majority of cases. In the States of Jammu & Kashmir (59%), Meghalaya (53%) and Tripura (79%) grants-in-aid are a major source of municipal income.

* Includes service taxes such as water tax, sanitation cess, lighting tax, health cess etc.

Resource Gap :

2.5 A number of studies conducted at the request of the Finance Commissions and by other Commissions/Committees have tried to estimate the reveque-expenditure gap that exists. Some of the major studies on municipal bodies which give a fairly vivid picture of the dismal plight of the municipal finances and requirement of resources to discharge even their obligatory functions, are mentioned below.

2.6 The Zakaria Committee (1963) estimated that even to maintain civic services at absolute minimum levels the gap between needs and resources was nearly Rs. 9 crores annually (minimum levels being defined in terms of *per capita* expenditure norms at 1960-61 prices). Similarly, the National Institute of Urban Affairs (1983) pointed out that at the level of services existing in 1979-80, municipal bodies need an additional Rs. 833 crores per annum for maintenance alone excluding the massive capital investment required for enhancing the quality of services.

2.7 The Task Force on Financing of Urban Development (1983) set up by Planning Commission taking into account the depreciation of existing and new infrastructure, backlog of existing population and expected increment to urban population has estimated the level of investment required for the period 1986-91 to be in the range of Rs. 6000-10,000 crores and Rs. 8000 crores (at 1980 prices) to be realistic and necessary for meeting urban infrastructure requirement in the country.

2.8 The estimates prepared by National Institute of Urban Affairs (1989) for the Ninth Finance Commission also pointed out that the 159 municipal bodies* covered in the sample above will alone require an amount of approximately Rs. 2681.4 crores over a period of 5 years corresponding to the period 1990-95, in order to be able to operate and maintain the core services at levels proposed by the Zakaria Committee. This amount is over and above the financial resources that the municipal bodies will mobilise during this period through their own efforts and resources transfers from States at existing levels of taxation and efficiency. The financial needs will, however, increase to Rs. 6992.6 crores if the municipal bodies choose to raise their spending levels to the levels being maintained by the "better off" municipal bodies.

2.9 While there has been continuous growth in the requirements of municipal bodies, there has not been commensurate growth of revenues. According to the Task Force on Financing of Urban Development (1983), the growth of municipal revenue in the past decade was 15 per cent per annum as compared to 17.5 per cent for the Central and State Governments. Further, there appeared to be a clear decline in the share of tax revenue and growing dependence on grants-in-aid from Government.

2.10 The analysis made by the National Institute of Urban Affairs regarding the transfer of funds from the States to municipal bodies has revealed that the transfer of funds in the form of shared taxes has been playing a much smaller role than grants-in-aid in the overall finance of municipal bodies. Whereas the grant component of municipal income contributed 16% of their income in 1986-87, the State contribution by way of share of taxes was only 6% in the same year.

2.11 The share of municipal governments in total tax revenue of the country have decreased from 8 per cent in 1960-61 to 4.5. per cent in 1980-81 while urban population has increased from 16 per cent of the total to 24 per cent during the same period. The share slumped to 3.4. per cent in 1986-87 as estimated by the National Institute of Urban Affairs based on the analysis of 157 sampled municipal bodies.

* Estimates based on a respondent sample of 159 cities which in terms of numbers constitute about 73% of the total number of cities and in terms of population approximately 63% of the total population of cities (excluding the 12 metropolises) in the 1 lakh population category (1981)

** Average of the expenditure levels of the 15 sampled "better off" municipal bodies.

Augmentation of Resources :

2.12 The estimates of resource gap is a clear pointer to the absolute need for augmenting the financial resource position of the municipal bodies to enable them to discharge their basic responsibilities. Efforts to bridge the gap requires an assessment of tax efforts, tax potential and efficiency of fiscal management in the local bodies. While every effort should be made to increase the taxation efforts at the municipality level with a view to tap the full potential, the responsibility for resources for financing urban services cannot be left only to the urban local bodies. Since the urban cities constitute in a big way to the State and the national economy it should also be the responsibility of the Centre as well as the States to dovetail creation and maintenance of urban economic infrastructure with the overall economic development and to share in the financial burden for the creation and maintenance of the urban infrastructure needed to increase urban productivity, provide greater employment opportunities and for improving the quality of life of its citizens. Towards this end, devolution of resources from Centre to States and States to municipalities is a necessary requirement. The mobilisation effort may be three-fold: (a) strengthening of the financial position through better tax collection and management; (b) restructuring the mechanism-of-funds from Central/State Governments to local bodies; and (c) mobilisation of additional resources through introduction of new taxes and innovative resource raising mechanism by the municipal bodies.

2.13 Tax and non-tax revenues constitute almost two-third of municipal incomes and this is a sphere where greater efforts could yield additional revenue. Though not much variation exists between States in the matter of tax powers entrusted to municipal governments, significant variation exists in the application of tax powers, rate structure of taxes and exemptions granted. While the need for strengthening the tax structure to enable the municipalities to retain their fiscal autonomy is unavoidable, the municipalities will have to provide certain basic civic amenities to citizens who belong economically to different groups irrespective of the per capita tax that is borne. A graded tax structure, therefore, needs to be adopted so that those who are 'better off' are taxed at a higher rate and the poorer section of society can at least get the basic civic amenities at rates they can afford.

2.14 The major taxes collected by the municipal bodies include octroi and property tax. Revenue realised from property tax is affected by unrealistic progression of rates, varying exemptions and poor levels of collection. The realisation also remains static as almost one-third of the properties located in the cities are exempted from tax. This includes the Central Government properties in view of the provision in Article 285 of the Constitution. Revenue collection can be maximised by periodically monitoring and rationalising the rates and structure of property taxes and enhancing the service charges being paid in respect of Government properties. The instructions on the subject of service charges to be levied in respect of Central Government properties need to be reviewed and Government may consider reimbursement of an amount equal to the taxes payable on any other property as service charges. The existing instructions also provide for freezing of 'capital value' at levels at the time of construction/acquisition and also protects earlier agreements with some Departments like Railways. This has led to a lack of buoyancy in the service charges. These instructions need to be reviewed and necessary amendments introduced to put this on a basis which is fair to both Government of India and the urban local bodies.

2.15 Also the procedure for valuation of property would require to be based on composite area indices taking into account location, use, building quality and size. Apart from these, improvement in tax collection and phased liquidation of arrears locked up in legal disputes would result in additional revenue.

2.16 Octroi has been a major source of revenue though of late, several States have abolished octroi as imposition of this tax has resulted in undue harassment and leakage of revenue. According to the Task Force on financing of Urban Development, octroi revenue tends to grow by 16% per annum as against slightly under 10% in the case of property tax. Wherever octroi has been abolished the same has been compensated by grants-in-aid. However, the increase in grants-in-aid made to the municipalities has not been adequate to cover the loss due to abolition of octroi. This has somewhat

reduced the flexibility of municipal revenue and created dependence on the State. In this context, it may be recalled that the National Institute of Urban Affairs has also observed that the level of services are generally poor in those States where octroi is not being levied. The urban local bodies are generally against any proposal for abolition of octroi since it gives them a substantial and regular (daily) source of income. But at the same time, the irritants in the present procedure for assessment and collection of this tax need to be removed. No attempt seems to have been made legally or administratively to simplify the methods of assessment and collection of octroi. The Committee feel that serious and sustained efforts should be made to improve, streamline and modernise the methods of assessment and collection of octroi with a view to plug leakage and reduce harassment. If the balance of advantage is considered to lie in abolishing octroi, suitable compensatory mechanism, capable of generating resources for the municipalities of the same buoyancy as octroi, should be evolved.

2.17 Revenue collection from other taxes is fairly insignificant and apparently the municipal bodies have not been interested in levying certain taxes despite the provisions in their Municipal Laws. These if levied would definitely generate some additional revenue.

2.18 New sources of revenue could be through levy of special conservancy tax on factories and large business establishments and tax on vacant land. Community participation particularly business participating in the creation and maintenance of social assets, pricing of land being given to industries in backward areas (to cover cost of acquisition, infrastructural development and cost of township development) all need to be explored and tapped to strengthen the existing weak resource base of the municipal bodies. To protect environment in municipalities and towns from the adverse affects of pollution, a growing menace with increasing urbanisation, imposition of a pollution tax can be considered.

2.19 Non-tax revenue basically takes the form of fees/duties, rent, user charges etc. Streamlining and simplification of procedure with respect to fees/duties, betterment levy, levy of adequate user charges by the local bodies, proper pricing of existing infrastructure may augment the resource base.

2.20 Besides the above, municipal bodies have to economise on administrative spending and establishment.

2.21 Municipal bodies have not been receiving adequate revenues in respect of taxes having a local base like entertainment tax, motor vehicle tax, real estate registration etc.

2.22 The system of grants-in-aid prevalent in most States is on an *ad-hoc* basis and the National Commission on Urbanisation has gone on record to say that if the Seventh and Eighth Finance Commissions had laid down principles relating to grants-in-aid to the States out of the Consolidated Fund of India and stated what portion of this should be passed on to urban local bodies and on what basis, the problem would perhaps have been overcome. The National Institute of Urban Affairs has suggested that every State should constitute a Finance Board to lay down the mechanism for devolution of funds to municipal bodies from the Consolidated Fund of the State; periodic review to take into account inflation, population growth and other factors, linking of grants to the resource mobilisation efforts of the municipal body, regular flow of grant and equalisation on the expenditure side. Also some State Commissions have suggested assigning due weightage to the special problems of each municipal body and bridging of gap between service standards by extending capital funds for implementing projects and recurring nature grants for operational and maintenance purposes.

2.23 Generally plan funds for urban development are spent through State agencies and once the assets are created, the responsibility for their maintenance rests with the municipal bodies. This neither envisages non-plan assistance for State agencies nor assures resources to the municipal authorities creating a gap in resources required for maintenance. Further, non-integration of municipal plans with district and State plans also result in no regular devolution of resources.

2.24 Lack of a mechanism for regular assessment of the fiscal resources gap that arise on account of increasing urbanisation also do not ensure sufficient devolution of funds to the local bodies.

Additionally, apart from HUDCO, there is no apex financial institution for urban development. The result has been that there is no access to the capital market which is a great handicap.

2.25 The Eighth and Ninth Finance Commissions deliberating on the magnitude of the problem have come to the conclusion that local bodies need support to discharge their ever expanding multifarious responsibilities. The Eighth Finance Commission did not recommend any grants-in-aid for raising the service levels of urban local bodies or make any provisions for dealing with the urban congestion problems of Bombay, Calcutta and Madras as in their view, the Planning Commission was the "appropriate body to deal with these problems". Making a significant departure, the Ninth Finance Commission, however, recommended a one-time grant of Rs. 50 crores each to the Governments of Maharashtra and West Bengal for environmental improvement of slums and provision of basic amenities in the cities of Bombay and Calcutta.

2.26 Planning Commission commenting on urban services in their Seventh Five Year Plan document have stated, "The urban conglomerations by their very nature, need a minimum of basic services for their healthy existence. However, the state of most of our urban areas in this respect is far from satisfactory, in fact in general the picture is extremely bad. Apart from the fact that many of the municipal bodies are moribund....have undeveloped or eroded tax systems and suffer from lack of capital funds for development." A comprehensive plan for urban development including *inter-alia* revitalisation of civic bodies and through going reforms of municipal tax system and administration in general has been recommended by the Planning Commission. The plan document further states, "As the problems created by rapid urbanisation are stupendous and have wide-ranging social and political ramifications, there is national concern for checking the deterioration of conditions in our cities and towns. In this context, Central participation and assistance in this vital area is justified."

2.27 While the Eighth Plan has recognised the need for rationalisation of existing tax and non-tax resources of metropolitan cities and the need for devolution of funds from States to the local government, it is unfortunate that there has been no specific recommendation (except for the scheme of IDSMT) in regard to the sharing by Government of India of the responsibility in meeting the financial requirements of urban local bodies.

2.28 It is clear from the foregoing that both the Planning Commission and the Finance Commission have been seized of the problem of deteriorating urban civic services and the imperative need to strengthen the municipal bodies politically, administratively and financially. Municipal bodies to discharge their obligatory functions will require augmentation of funds. Availability of resources should be both commensurate and elastic keeping pace with their growing needs. Apart from augmenting internal sources, methods need to be devised for enlarging the area of assured devolution and the quantum of assistance that will flow from the Centre to States and from States to the Municipalities.

2.29 The Centre-State fiscal relations are governed by constitutional provisions. Unfortunately there is no such constitutional mechanism at present which provides for a regular assessment of the fiscal resources gap that exists in municipalities on account of the increasing responsibilities thrust upon them by the pace of urbanisation and growth of the urban economy, and for putting the devolution of resources to urban local bodies on a rational and firmer footing.

2.30 In view of the position stated above, the Committee endorse the provision in the Bill for the setting up of Finance Commission at the State level. The Committee further are of the opinion that the State Finance Commission proposed in the Bill should also specifically consider the measures needed to improve the financial position of the Municipalities and the extent to which the Consolidated Fund of the State needs to be augmented by assistance from the Government of India to supplement the resources of the Municipalities. The Committee are also of the opinion that the Central Finance Commission should consider measures to augment the Consolidated Fund of a State to supplement the resources of the Municipalities in the State on the basis of the recommendations

made by the Finance Commission of the State. Article 243Y has accordingly been amended and a new clause (3) added for amendment of Article 280 of the Constitution.

2.31 The Joint Committee recommend that the Bill, as amended, be passed.

NEW DELHI;
July, 1992

K.P. SINGH DEO
*Chairman,
Joint Committee.*

MINUTE OF DISSENT

I am of the opinion that the creation of a "Twelfth Schedule" containing primarily of entries from List II of the Seventh Schedule is a needless exercise and contains elements contrary to the theory of the basic structure of the Constitution.

If the "Twelfth Schedule" is merely illustrative it is repetitive and overlaps with the List II and therefore it is likely to create friction between the States and the local-bodies. The words mentioned in Clause 243W(a) that the Municipalities would be endowed "*with such powers and authority as may be necessary to enable them to function as institutions of self-government*" and the words in Clause 243W(a) (ii) that "*the performance of functions and the implementation of schemes as may be entrusted to them*" would suffice and the apparent redundancy of the "Twelfth Schedule" may be avoided.

In the present overcentralized top-heavy federal set-up unless the Union gives more powers and financial resources to the States the cry for 'devolution' and 'de-centralization' would be a cry in wilderness.

S. VIDUTHALAI VIRUMBI

NEW DELHI;
July 4, 1992

THE CONSTITUTION (SEVENTY-THIRD AMENDMENT) BILL, 1991

(AS REPORTED BY THE JOINT COMMITTEE)

[Words underlined or side-lined indicate the amendments suggested by the Committee, asterisks indicate omissions.]

A

BILL

further to amend the Constitution of India.

Be it enacted by Parliament in the Forty-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Constitution (Seventy-third Amendment) Act, 1992.

Short
title
and
com-
mence-
ment.

5 (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. After Part IX of the Constitution, the following Part shall be inserted, namely:—

Insertion
of new
Part
IXA.

'PART IXA

10

THE MUNICIPALITIES

243P. In this Part, unless the context otherwise requires,—

(a) "Committee" means a Committee constituted under article 243S;

Defini-
tions.

(b) "district" means a revenue district in a State;

(c) "Metropolitan area" means an area having a population of ~~twenty~~ lakhs or more, comprised in one or more districts and consisting of two or more Municipalities or Panchayats or other contiguous areas, specified by the Government of a State by public notification to be a Metropolitan area for the purposes of this Part;

(d) "Municipal area" means the territorial area of a Municipality as is notified by the Government of a State;

(e) "Municipality" means an institution of self-government constituted under article 243Q;

(f) "Panchayat" means a Panchayat constituted under article 243B;

(g) "population" means the population as ascertained at the last preceding census of which the relevant figures have been published.

Constitution of Municipalities.

243Q. (1) There shall be constituted in every State,—

(a) a Nagar Panchayat (by whatever name called) for a transitional area, that is to say, an area in transition from a rural area to an urban area;

(b) a Municipal Council for a smaller urban area; and

(c) a Municipal Corporation for a larger urban area,

in accordance with the provisions of this Part.

(2) In this article, "a transitional area" "a smaller urban area" or "a larger urban area" means such area as the Government of a State may, having regard to the population of the area, the density of the population therein, the revenue generated for local administration, the percentage of employment in non-agricultural activities, the economic importance or such other factors as it may deem fit, specify by public notification for the purposes of this Part.

Composition of Municipalities.

243R. (1) Save as provided in clause (2), all the seats in a Municipality shall be filled by persons chosen by direct election from the territorial constituencies in the Municipal area and for this purpose each Municipal area shall be divided into territorial constituencies to be known as wards.

(2) The Legislature of a State may, by law, provide,—

(a) for the representation in a Municipality of—

(i) persons having special knowledge or experience in Municipal administration;

(ii) the members of the House of the People and the members of the Legislative Assembly of the State representing constituencies which comprise wholly or partly the Municipal area;

(iii) the members of the Council of States and the members of the Legislative Council of the State registered as electors within the Municipal area;

(iv) the Chairpersons of the Committees constituted under clause (5) of article 243S:

Provided that the persons referred to in paragraph (i) shall not have the right to vote in the meetings of the Municipality;

(b) the manner of election of the Chairperson of a Municipality.

243S. (1) There shall be constituted Wards Committees, consisting of one or more wards, within the territorial area of a Municipality having a population of three lakhs or more.

Constitution and composition of Wards Committees, etc.

(2) The Legislature of a State may by law, make provision with respect to—

(a) the composition and the territorial area of a Wards Committee;

(b) the manner in which the seats in a Wards Committee shall be filled.

(3) A member of a Municipality representing a ward within the territorial area of the Wards Committee shall be a member of that Committee.

(4) Where a Wards Committee consists of—

(a) one ward, the member representing that ward in the Municipality; or

(b) two or more wards, one of the members representing such wards in the Municipality elected by the members of the Wards Committee,

shall be the Chairperson of that Committee.

(5) Nothing in this article shall be deemed to prevent the Legislature of a State from making any provision for the constitution of Committees in addition to the Wards Committees.

243T. (1) Seats shall be reserved for the Scheduled Castes and the Scheduled Tribes in every Municipality and the number of seats so reserved shall bear, as nearly as may be, the same proportion to the total number of seats to be filled by direct election in that Municipality as the population of the Scheduled Castes in the Municipal area or the Scheduled Tribes in the Municipal area bears to the total population of that area and such seats may be allotted by rotation to different constituencies in a Municipality.

Reservation of seats.

(2) Not less than one-third of the total number of seats reserved under clause (1) shall be reserved for women belonging to the Scheduled Castes or, as the case may be, the Scheduled Tribes.

(3) Not less than one-third (including the number of seats reserved for women belonging to the Scheduled Castes and the Scheduled Tribes) of the total number of seats to be filled by direct election in every Municipality shall be reserved for women and such seats may be allotted by rotation to different constituencies in a Municipality. 5

(4) The office of Chairpersons in the Municipalities shall be reserved for the Scheduled Castes, the Scheduled Tribes and women in such manner as the Legislature of a State may, by law, provide.

(5) The reservation of seats under clauses (1) and (2) and the reservation of office of Chairpersons (other than the reservation for women) under clause (4) shall cease to have effect on the expiration of the period specified in article 334. 10

(6) Nothing in this Part shall prevent the Legislature of a State from making any provision for reservation of seats in any Municipality or office of Chairpersons in the Municipalities in favour of backward class of citizens. 15

Duration
of
Municipalities,
etc..

243U. (1) Every Municipality, unless sooner dissolved under any law for the time being in force, shall continue for five years from the date appointed for its first meeting and no longer *** 20

(2) An election to constitute a Municipality shall be completed,—

(a) before the expiry of its duration specified in clause (1);

(b) before the expiration of a period of six months from the date of its dissolution:

Provided that if the Legislature of the State passes a resolution to the effect that due to drought, flood, earthquake or any other natural calamity or emergency, the election cannot be held within the period specified in sub-clause (b), the said election shall be completed within a period of one year from the date of dissolution of the Municipality. 25 30

(3) The Legislature of a State may, by law, make provisions with respect to the suspension or dissolution of a Municipality:

Provided that before a Municipality is suspended or dissolved, it shall be given a reasonable opportunity of being heard by such authority as is constituted by such law: 35

Provided further that the suspension of a Municipality shall not affect the continuation of the Committees constituted under article 243S.

Disquali-
fications
for
member-
ship.

243V. (1) A person shall be disqualified for being chosen as, and for being, a member of a Municipality— 40

• • • • •

(a) if he is so disqualified by or under any law for the time being in force for the purposes of elections to the Legislature of the State concerned:

Provided that no person shall be disqualified on the ground that he is less than twenty-five years of age, if he has attained the age of twenty-one years;

(b) if he is so disqualified by or under any law made by the Legislature of the State.

(2) If any question arises as to whether a member of a Municipality has become subject to any of the disqualifications mentioned in clause (1), the question shall be referred for the decision of such authority and in such manner as the Legislature of a State may, by law, provide.

243W. Subject to the provisions of this Constitution, the Legislature of a State may, by law, endow—

Powers, authority and responsibilities of Municipalities, etc.

(a) the Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Municipalities, subject to such conditions as may be specified therein, with respect to—

(i) the preparation of plans for economic development and social justice;

(ii) the performance of functions and the implementation of schemes as may be entrusted to them including those in relation to the matters listed in the Twelfth Schedule;

(b) the Committees with such powers and authority as may be necessary to enable them to carry out the responsibilities conferred upon them including those in relation to the matters listed in the Twelfth Schedule.

243X. The Legislature of a State may, by law,—

Power to impose taxes on, and Funds of, the Municipalities.

(a) authorise a Municipality to levy, collect and appropriate such taxes, duties, toll and fees in accordance with such procedure and subject to such limits;

(b) assign to a Municipality such taxes, duties, tolls and fees levied and collected by the State Government for such purposes and subject to such conditions and limits;

(c) provide for making such grants-in-aid to the Municipalities from the Consolidated Fund of the State; and

(d) provide for constitution of such Funds for crediting all moneys received, respectively, by or on behalf of the Municipalities and also for the withdrawal of such moneys therefrom,

as may be specified in the law.

Constitution of Finance Commission to review financial position.

243Y. (1) The Governor of a State shall as soon as may be within one year from the commencement of the Constitution (Seventy-third Amendment) Act, 1992, and thereafter at the expiration of every fifth year constitute a Finance Commission to review the financial position of the Municipalities and to make recommendations to the Governor as to—

(a) the principles which should govern—

(i) the distribution between the State and the Municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which may be divided between them under this Part and the allocation between the Municipalities at all levels of their respective shares of such, proceeds;

(ii) the determination of the taxes, duties, tolls and fees which may be assigned to, or appropriated by, the Municipalities;

(iii) the grants-in-aid to the Municipalities from the Consolidated Fund of the State;

(b) the measures needed to improve the financial position of the Municipalities;

(c) the extent to which the Consolidated Fund of the State needs to be augmented by the assistance from the Government of India to supplement the resources of the Municipalities;

(d) any other matter referred to the Finance Commission by the Governor in the interests of sound finance of the Municipalities.

(2) The Legislature of a State may, by law, provide for the composition of the Commission, the qualifications which shall be requisite for appointment as members thereof and the manner in which they shall be selected.

(3) The Commission shall determine their procedure and shall have such powers in the performance of their functions as the Legislature of the State may, by law, confer on them.

(4) The Governor shall cause every recommendation made by the Commission under this article together with an explanatory memorandum as to the action taken thereon to be laid before the Legislature of the State.

Form of accounts of Municipal Corporations and audit of accounts of such Corporations.

243Z. (1) The accounts of the Municipal Corporations constituted under article 243Q shall be kept in such form as the Governor may, on the advice of the Comptroller and Auditor-General of India, prescribe.

(2) The Comptroller and Auditor-General of India shall cause the accounts of the said Municipal Corporations to be audited in such manner as he may deem fit and the reports of the Comptroller and Auditor-General shall be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State and before the Municipal Corporation concerned.

243ZA. Subject to the provisions of this Constitution, the Legislature of a State may, by law, make provision with respect to all matters relating to, or in connection with, elections to the Municipalities ***

Powers of Legislature of a State to make provisions with respect to elections to Municipalities. Application to Union territories.

243ZB. The provisions of this Part shall apply to the Union territories and shall in their application to a Union territory, have effect as if the references to the Governor of a State were references to the Administrator of the Union territory appointed under article 239 and references to the Legislature or the Legislative Assembly of a State were references in relation to a Union territory having a Legislative Assembly, to that Legislative Assembly;

Provided that the President may, by public notification, direct that the provisions of this Part *** shall apply to any Union territory or part thereof subject to such exceptions and modifications as he may specify in the notification.

243ZC. (1) Nothing in this Part shall apply to the Scheduled Areas referred to in clause (1), and the tribal areas referred to in clause (2), of article 244.

Part not to apply to certain areas.

(2) Notwithstanding anything in this Constitution, Parliament may, by law, extend the provisions of this Part to the Scheduled Areas and the tribal areas referred to in clause (1) subject to such exceptions and modifications as may be specified in such law, if the Legislature of a State passes a resolution to that effect, and no such law shall be deemed to be an amendment of this Constitution for the purposes of article 368.

243ZD. (1) There shall be constituted in every State at the district level a District Planning Committee to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft development plan for the district as a whole.

Committee for district planning.

(2) The Legislature of a State may, by law, make provision with respect to—

(a) the composition of the District Planning Committees;

(b) the manner in which the seats in such Committees shall be filled:

Provided that not less than four-fifths of the total number of members of such Committee shall be elected by, and from amongst, the elected members of the Panchayat at the district level and of the Municipalities in the district in proportion to the ratio between the population of the rural areas and of the urban areas in the district;

(c) the functions relating to district planning which may be assigned to such Committees;

(d) the manner in which the Chairpersons of such Committees shall be chosen.

(3) Every District Planning Committee shall, in preparing the draft development plan,—

(a) have regard to—

(i) matters of common interest between the Panchayats and the Municipalities including spatial planning, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation;

(ii) the extent and type of available resources whether financial or otherwise;

(b) consult such institutions and organisations as the Governor may, by order, specify.

(4) The Chairperson of every District Planning Committee shall forward the development plan, as recommended by such Committee, to the Government of the State.

Commit-
tee for
Metro-
politan
Planning

243ZE. (1) There shall be constituted in every metropolitan area a Metropolitan Planning Committee to prepare a draft development plan for the Metropolitan area as a whole.

(2) The Legislature of a State may, by law, make provision with respect to—

(a) the composition of the Metropolitan Planning Committees;

(b) the manner in which the seats in such Committees shall be filled:

Provided that not less than two-thirds of the members of such Committee shall be elected by, and from amongst, the elected members of the Municipalities and Chairpersons of the Panchayats in the Metropolitan area in proportion to the ratio between the population of the Municipalities and of the Panchayats in that area;

(c) the representation in such Committees of the Government of India and the Government of the State and of such organisations and institutions as may be deemed necessary for carrying out the functions assigned to such Committees;

(d) the functions relating to planning and coordination for the Metropolitan area which may be assigned to such Committees;

(e) the manner in which the Chairpersons of such Committees shall be chosen.

(3) Every Metropolitan Planning Committee shall, in preparing the draft development plan,—

(a) have regard to—

(i) the plans prepared by the Municipalities and the Panchayats in the Metropolitan area;

(ii) matters of common interest between the Municipalities and the Panchayats, including co-ordinated spatial planning of the area, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation;

(iii) the overall objectives and priorities set by the Government of India and the Government of the State;

(iv) the extent and nature of investments likely to be made in the Metropolitan area by agencies of the Government of India and of the Government of the State and other available resources whether financial or otherwise;

(b) consult such institutions and organisations as the Governor may, by order, specify.

(4) The Chairperson of every Metropolitan Planning Committee shall forward the development plan, as recommended by such Committee, to the Government of the State.

243ZF. Notwithstanding anything in this Part, any provision of any law relating to Municipalities in force in a State immediately before the commencement of the Constitution (Seventy-third Amendment) Act, 1992, which is inconsistent with the provisions of this Part, shall continue to be in force until amended or repealed by a competent Legislature or other competent authority or until the expiration of one year from such commencement, whichever is earlier:

Provided that all the Municipalities existing immediately before such commencement shall continue till the expiration of their duration, unless sooner dissolved by a resolution passed to that effect by the Legislative Assembly of that State or, in the case of a State having a Legislative Council, by each House of the Legislature of that State.

243ZG. Notwithstanding anything in this Constitution,—

(a) the validity of any law relating to the delimitation of constituencies or the allotment of seats to such constituencies, made or purporting to be made under article 243ZA shall not be called in question in any court;

(b) no election to any Municipality shall be called in question except by an election petition presented to such authority and in such manner as is provided for by or under any law made by the Legislature of a State.

Continuance of existing laws and Municipalities.

Bar to interference by courts in electoral matters.

Amend-
ment of
article
280.

3. In clause (3) of article 280 of the Constitution, sub-clause (c) shall be lettered as sub-clause (d) and before sub-clause (d) as so relettered, the following sub-clause shall be inserted, namely:—

“(c) the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Municipalities in the State on the basis of the recommendations made by the Finance Commission of the State;”.

Addition
of
Twelfth
Schec-
dule.

4. After the Eleventh Schedule to the Constitution, the following Schedule shall be added namely:—

TWELFTH SCHEDULE

10

(Article 243W)

1. Urban planning including town planning.
2. Regulation of land-use and construction of buildings.
3. Planning for economic and social development.
4. Roads and bridges. 15
5. Water supply for domestic, industrial and commercial purposes.
6. Public health, sanitation conservancy and solid waste management.
7. Fire services.
8. Urban forestry, protection of the environment and promotion of ecological aspects. 20
9. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded.
10. Slum improvement and upgradation.
11. Urban poverty alleviation. 25
12. Provision of urban amenities and facilities such as parks, gardens, playgrounds.
13. Promotion of cultural, educational and aesthetic aspects.
14. Burials and burial grounds; cremations, cremation grounds and electric crematoriums. 30
15. Cattle pounds; prevention of cruelty to animals.
16. Vital statistics including registration of births and deaths.
17. Public amenities including street lighting, parking lots, bus stops and public conveniences.
18. Regulation of slaughter houses and tanneries.”. 35

APPENDIX I

(Vide paragraph 1.2 of the Report)

Motion in Lok Sabha for Reference of the Bill to the Joint Committee

“That the Bill further to amend the Constitution of India viz. the Constitution (Seventy-third Amendment) Bill, 1991 (Insertion of new Part IXA and addition of Twelfth Schedule) be referred to a Joint Committee of the Houses consisting of 30 members, 20 from this House, namely:—

1. Shri Pawan Kumar Bansal
2. Shri Chitta Basu
3. Shri Girdhari Lal Bhargava
4. Prof. Malini Bhattacharya
5. Shri Probin Deka
6. Shri K.P. Singh Deo
7. Prof. Ashokrao Anandrao Deshmukh
8. Shri Dau Dayal Joshi
9. Shri Shankarrao D. Kale
10. Shri Tarachand Khandelwal
11. Kum. Padmasree Kudumula
12. Smt. Sumitra Mahajan
13. Shri Suraj Mandal
14. Shri Yelliah Nandi
15. Dr. Debi Prosad Pal
16. Shri Hari Kewal Prasad
17. Shri Ebrahim Sulaiman Sait
18. Kumari Selja
19. Shri Hari Kishore Singh
20. Shri P.C. Thomas

and 10 from Rajya Sabha;

that in order to constitute a sitting of the Joint Committee the quorum shall be one-third of the total number of members of the Joint Committee;

that the Committee shall make a report to this House by the last day of the first week of the Budget Session, 1992;

that in other respects the Rules of Procedure of this House relating to Parliamentary Committee shall apply with such variations and modifications as the Speaker may make; and

that this House do recommend to Rajya Sabha that Rajya Sabha do join the said Joint Committee and communicate to this House the names of 10 members to be appointed by Rajya Sabha to the Joint Committee.”

APPENDIX II*(Vide paragraph 1.3 of the Report)**Motion in Rajya Sabha for Reference of the Bill to the Joint Committee*

“That this House concurs in the recommendation of the Lok Sabha that the Rajya Sabha do join in the Joint Committee of the Houses on the Bill further to amend the Constitution of India and resolves that the following members of the Rajya Sabha be nominated to serve on the said Joint Committee:—

1. Shri Bhaskar Annaji Masodkar
2. Shri K.N. Singh
3. Shri S.K.T. Ramachandran
4. Shri. Santosh Kumar Sahu
5. Shri Radhakishan Malviya
6. Shri Mohammed Afzal Alias Meem Afzal
7. Shri Digvijay Singh
8. Shri N.E. Balaram
9. Shrimati Bijoya Chakravarty
10. Shri S. Viduthalai Virumbi”

APPENDIX III

(Vide paragraph 1.8 of the Report)

List of Associations, Organisations, Individuals etc. from whom memoranda were received by the Joint Committee

1. All India Council of Mayors, Delhi.
2. Radhasoami Satsang Sabha, Agra.
3. Supreme Court Bar Association.
4. Government of West Bengal (Deptt. of Municipal Affairs).
5. Director, Municipal Administration, Government of Orissa.
6. Indian Ex-services League (Punjab & Haryana).
Amritsar District.
7. Shri Yelliah Nandi, M.P.
8. Dr. Krishna Chand Shukla, Indore.
9. Tarun Bharat Educational and Social Welfare Society (Regd.), Sadar Bazar, Delhi.
10. Residence Welfare Association, Rewari.
11. Government of Meghalaya, (Urban Affairs Department).
12. Shri Anand Prakash Singhal,
Meerut College,
Meerut (U.P.)
13. Shri R.K. Balasubramanian,
Mylopore, Madras.
14. Dr. S.R. Sarkar,
Calcutta.
15. Shri N.S. Pradhan,
Cuffe Parade,
Bombay.
16. Shri Ram Prasad Sharma,
Kathua.
17. Shri G.M. Patil,
Nandadeep, Pune.
18. Ministry of Defence,
Directorate General,
Defence Estates,
19. Shri Pratha Kumar Chatterjee,
Birnagar
20. Bengal Scheduled Castes & Scheduled Tribes
Federation, Calcutta.
21. Shri Baburam Verma,
Vice President,
District Council, Meerut.
22. Shri V.J. Hycinth.

Councillor,
Corporation of Cochin.

23. Ch. Satya Prakash, Mayor,
Municipal Corporation, Ludhiana.
24. Institute of Agricultural Marketing
Management and Administration.
25. Prof. Narsinhdas K. Vankar.
26. Shri A.S. Batgeri,
Solapur, Maharashtra.
27. Shri Nand Kishore Kumar,
Munger,
Bihar.
28. Government of India,
Ministry of Defence.
29. National Institute of Urban Affairs,
New Delhi.
30. Ujire Varthaka Sangha, Ujire.
31. Varishth Nagrik Vichar Munch,
Indore.
32. Rajasthan Kiraedar Sangh,
Jaipur.
33. Jakhura Tobacco Manufacturing Company.
34. Shri M.K.G. Pillai,
Rongnihog,
Assam.
35. Ministry of Railways,
Government of India.
36. Ministry of Surface Transport,
(Transport Wing),
Government of India.
37. Shri R.N. Mohapatra,
Ex-Member, Central Advisory Board on Social Defence,
Bhubaneswar.
38. Shri Ghulam Rasool Matto, M.P.
39. M/s Tata Iron and Steel Company Ltd.
Jamshedpur.
40. Bombay Environment Action Group.

APPENDIX IV

(Vide paragraph 1.8 of the Report)

List of Associations / Organisations, Individuals etc., from whom Replies to Questionnaire were received by the Joint Committee.

1. Indian Institute of Public Administration.
2. Town and Country Planning Organisation, Ministry of Urban Development.
3. Daman Municipal Council, Daman.
4. Regional Centre for Urban & Environmental Studies, All India Institute of Local Self-Government, Bombay.
5. All India Institute of Local Self Government, Bombay.
6. The Madras Bar Association, Madras.
7. The Bar Council of Tamil Nadu.
8. Administrator of Daman and Diu.
9. Department of Municipal Administration, Government of Assam.
10. Supreme Court Bar Association, New Delhi.
11. All India Council of Mayors, Delhi.
12. Gujarat Nagarpalika Parishad, Anand.
13. Regional Centre for Urban and Environmental Studies, Hyderabad.
14. Government of Maharashtra, Urban Development Department, Bombay.
15. Shri Gulbert J. Nazareth,
Nadiad Municipality.
16. The Madras Bar Association.
17. Shri Anil H. Joshi,
Bhuj Municipality.
18. Government of Manipur.
19. Anand Municipality, Gujarat.
20. Shri K.L. Dhandha,
Jetpur Municipality.
21. Corporation of the City of Gulbarga.
22. Government of Pondicherry, Development Department (LA).
23. Office of the Municipal Corporation,
Ujjain, M.P.
24. Shri Raj Kumar Agarwal, Bareilly Municipal Corporation, (U.P.)
25. Nagar Palika Nigam Karyalay, Indore, M.P.
26. The Bar Council of Maharashtra & Goa.
27. Shri K.C. Sivaramakrishnan, Vice-President National Institute of Urban Affairs, New Delhi.
28. Malaria Research Centre, Panaji, Goa.
29. Shri K. Narayanaswamy, All India Council of Mayors.
30. Darbhanga Nagar Nigam.
31. Shri Ramesh Singla, Municipal Committee, Ambala City.
32. Shri Ganga Dhar Prasad Singh, Muzaffarpur Municipal Corporation, Muzaffarpur, (Bihar).
33. Shri S.K. Dev, Silchar Municipality, Assam.
34. Shri P. Sambasivan Achari, Government of Kerala.
35. Shri Adarsh Kumar, Municipal Corporation, Shimla.
36. Shri P.L. Punia, Government of Uttar Pradesh, Urban Development Department, Lucknow.

APPENDIX V

(Vide paragraph 1.9 of the report)

LIST OF WITNESSES WHO TENDERED ORAL EVIDENCE BEFORE THE JOINT COMMITTEE

1. Prof. Abhijit Datta,
Indian Institute of Public Administration,
New Delhi.
2. Shri K. Narayanaswamy,
Chairman,
All India Council of Mayors,
New Delhi.
3. Shri D.S. Meshram,
Chief Town Planner,
Town and Country Planning Organisation,
New Delhi.
4. Shri K.C. Sivaramakrishnan,
Vice-President,
National Institute of Urban Affairs,
New Delhi.
5. Dr. Y.P. Anand,
Chairman, (Railway Board)
Ministry of Railways.
6. Shri K.A. Nambiar,
Additional Secretary,
Ministry of Defence.
7. Shri Vijay Kumar Malhotra,
Former Chief Executive Councillor of Delhi.
8. Shri R.N. Mohapatra,
Ex-Member,
Central Advisory Board on Social Defence,
(Bhubaneswar)
9. Shri Jag Parvesh Chandra,
Former Chief Executive Councillor of Delhi.
10. Shri M.N. Buch,
Chairman,
National Centre for Human Settlement and Environment, Bhopal.

APPENDIX VI

MINUTES OF THE SITTINGS OF THE JOINT COMMITTEE ON THE CONSTITUTION (SEVENTY-THIRD AMENDMENT) BILL, 1991

I

First Sitting

The Committee met on Monday, the 27th January, 1992 from 1500 hours to 1630 hours.

PRESENT

Shri K.P. Singh Deo

Chairman

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Shri Chitta Basu
4. Shri Girdhari Lal Bhargava
5. Prof. Malini Bhattacharya
6. Shri Prorbin Deka
7. Prof. Ashokrao Anandrao Deshmukh
8. Shri Dau Dayal Joshi
9. Shri Tarachand Khandelwal
10. Shri Yelliah Nandi
11. Shri Hari Kewal Prasad
12. Kumari Selja
13. Shri Hari Kishore Singh

Rajya Sabha

14. Shri N.E. Balaram
15. Shrimati Bijoya Chakravarty
16. Radhakishan Malviya
17. Shri Bhaskar Annaji Masodkar
18. Shri S.K.T. Ramachandran
19. Shri Santosh Kumar Sahu
20. Shri Digvijay Singh
21. Shri K.N. Singh
22. Shri S. Viduthalai Virumbi

SECRETARIAT

Shri S.C. Gupta

— *Joint Secretary*

Shri R.K. Chatterjee

— *Deputy Secretary*

Shri A.N. Gupta

— *Under Secretary*

REPRESENTATIVES OF THE MINISTRY OF URBAN DEVELOPMENT

Shri R.V. Pillai, Addl. Secretary

Shri R.P.S. Pawar, Director (LSG)

REPRESENTATIVES OF THE MINISTRY OF LAW & JUSTICE (LEGISLATIVE DEPARTMENT)

Shri B.S. Saluja, Joint Secretary and Legislative Counsel

Shri K.N. Chaturvedi, Deputy Legislative Counsel

2. At the outset, Chairman welcomed the members of the Committee and referred to the importance and urgency of the proposed legislation and task before the Committee.

3. Shrimati Sheila Kaul, Minister of Urban Development was invited by the Chairman to attend the meeting as a special invitee. Shrimati Sheila Kaul explained to the Committee the background, implications and the urgency of the proposed legislation.

4. Chairman in his welcome speech informed the Committee that as per the Motion adopted by the House, the Committee has to present their Report to the House by the last day of the first week of the Budget Session, 1992. Members however, expressed their reservations in regard to submission of the Report by that date as a lot of background material like Charles Correa Report, proceedings of the National Development Council and the Chief Ministers opinion, Lok Sabha / Rajya Sabha debates when the Constitution (Sixty-Fifth Amendment) Bill was discussed, proceedings of Mayors' Conference, survey report carried out in 1989 on the suspension of Corporations, Municipalities and other local bodies etc. would have to be gone into and this is yet to be supplied to them by the Ministry. They would have to study and go into the question of division and devolution of resources between the States and the Municipalities; devolution of financial resources between the Centre and the States also. The views of the various leaders of opposition in the Metropolitan Corporations, experts of Planning Commission were also to be obtained.

5. Members were also of the view that since the basic structure of the Constitution itself was going to be changed by passing the Bill, full background papers with comprehensive information should be at their disposal and views of the Law Commission should also be elicited.

6. The Committee decided to issue a Press Communique (Annexure) inviting comments, suggestions on the Bill by 24 February, 1992 from the State Governments, Union Territories Administration / Bodies, organisations and individuals etc. The Committee desired that the contents of the Press Communique be given wide publicity through Press, Television / AIR.

7. The Committee desired that a detailed questionnaire on the subject might be prepared with the help of the Ministry of Urban Development for being sent to the Organisations, Bodies, individuals etc. working in the field of local self-government to enable them to submit their comments / suggestions on the provisions of the Bill, to the Committee. For this purpose, the Ministry of Urban Development might supply a list of Organisations / Associations and experts besides lists of Urban Bodies from whom comments / suggestions might be invited. The Committee also were of the view that leaders of various opposition parties from Corporations in metropolitan cities, Municipalities / local authorities may be invited to express their views on the matters.

8. It is customary / convention to have a Minister of the concerned department as a Member of the Joint Select Committee therefore, it was decided that subject to the approval of the Speaker, Minister of State for Urban Development, Shri M. Arunachalam may be invited, as a special invitee, to all sittings of the Committee.

9. As regards the extension of time, the Committee decided that it may be taken up at the appropriate time.

The Committee decided to hold its next sittings on 12, 13 and 14 February, 1992.

The Committee then adjourned.

**JOINT COMMITTEE ON THE CONSTITUTION (SEVENTY-THIRD AMENDMENT) BILL, 1991
ON MUNICIPAL BODIES
PRESS COMMUNIQUE**

The Joint Committee on the Constitution (Seventy-Third Amendment) Bill, 1991 at their first sitting held under the Chairmanship of Shri K.P. Singh Deo, M.P., on 27.1.1992 decided to call for memoranda on the Bill for consideration of Committee from Public Bodies, Organisations, Associations or individuals, etc.

The Bill seeks to amend the Constitution of India and it is proposed to add a new **part IX A and Twelfth Schedule** relating to Urban Local Bodies in the Constitution to provide for, among other things, constitution of three types of Municipalities, reservation of seats in every Municipality for Scheduled Castes and Scheduled Tribes, women and backward classes, devolution of powers and responsibilities upon the Municipalities by the State Legislature with respect to preparation of plans for economic developments, levy of taxes and duties by Municipalities, review of the finances of the Municipalities by the Finance Commission, audit of accounts of the Municipal Corporations by Comptroller and Auditor General of India and laying of reports before the State Legislatures etc.

Those desirous of submitting memorandum to the Committee should send memorandum, 40 copies, if possible, addressed to the Secretary General, Lok Sabha, Parliament House Annexe, New Delhi so as to reach him on or before 24th February, 1992. The Memoranda which might be submitted to the Committee would form part of the records of the Committee and should be treated as strictly confidential and not circulated to anyone, as such an act would constitute a breach of privilege of the Committee.

Those who are desirous of giving oral evidence before the Committee, besides sending Memorandum, are requested to intimate to this effect to the Lok Sabha Secretariat for consideration of the Committee.

The Constitution (Seventy-Third Amendment) Bill, 1991 as introduced in Lok Sabha, was published in the Gazette of India, Extraordinary, Part II, Section 2 dated 16 September, 1991.

NEW DELHI

28 January, 1992

II
SECOND SITTING

The Committee met on Wednesday, the 12 February, 1992 from 1500 Hours to 1650 Hours.

PRESENT

Shri K.P. Singh Deo — *Chairman*

MEMBERS

Lok Sabha

2. **Shri Chitta Basu**
3. **Shri Girdhari Lal Bhargava**
4. **Prof. Malini Bhattacharya**
5. **Shri Dau Dayal Joshi**
6. **Smt. Sumitra Mahajan**
7. **Shri Suraj Mandal**
8. **Shri Hari Kewal Prasad**
9. **Shri Ebrahim Sulaiman Sait**
10. **Shri Hari Kishore Singh**
11. **Shri P.C. Thomas**

Rajya Sabha

12. **Shri Mohammed Afzal Alias Meem Afzal**
13. **Shri N.E. Balaram**
14. **Shrimati Bijoya Chakravarty**
15. **Shri Radhakishan Malaviya**
16. **Shri S.K.T. Ramachandran**
17. **Shri Santosh Kumar Sahu**
18. **Shri Digvijay Singh**
19. **Shri S. Viduthalai Virumbi**

SECRETARIAT

1. **Shri G.L. Batra** — *Additional Secretary*
2. **Shri S.C. Gupta** — *Joint Secretary*
3. **Shri R.K. Chatterjee** — *Deputy Secretary(C)*
4. **Shri A.N. Gupta** — *Under Secretary (C-1)*

REPRESENTATIVES OF THE MINISTRY OF URBAN DEVELOPMENT

Shri K. Dharamarajan — *Joint Secretary*
Shri R.P.S. Pawar — *Director (LSG)*

REPRESENTATIVES OF THE MINISTRY OF LAW & JUSTICE

LEGISLATURE DEPARTMENT

Shri B.S. Saluja — *Joint Secretary & Legislative Counsel*
Shri K.N. Chaturvedi — *Deputy Legislative Counsel*

2. Chairman apprised the Members with the discussion he had with the Speaker and informed that the Speaker had desired that efforts might be made to present the Report by the end of April, 1992. He explained that if it was necessary to go out of Delhi for taking oral evidence etc., it could be done on week-ends. Moreover, several sub-committees could be formed and the subcommittees could go to different places to take evidence.

3. Chairman also informed that though electronic media had given publicity, the press had not covered the activities of the Committee. He, therefore, had impressed upon the Secretary, Ministry of Information and Broadcasting to ensure that due publicity is given in the regional as well as national dailies.

4. One of the Members of the Committee suggested that as agreed to at the meeting of the Committee held on 27 January, 1992 the minutes of the meeting for that day should include that State Governments would be addressed separately to send written memorandum and evidence would be taken where necessary of non-officials. Subject to these amendments the minutes of the meeting of the Committee held on 27 January, 1992 were approved.

5. Referring to the reply received from the Law Commission which had already been circulated to the Members, the Chairman observed that he was not in agreement with the reply of the Law Commission. Chairman also observed that the Chairman, Law Commission need not be invited to appear before the Committee but if the Committee agree, he could be invited over a cup of tea and his views on the Bill obtained.

6. The Committee then deliberated on various points relating to the structure/provisions of the Bill. During the deliberations the Committee directed that the Ministry of Urban Development might be asked to furnish detailed information and documents on the following points:—

- (i) The manner in which the Central Government was implementing the recommendations of Sarkaria Commission.
- (ii) The need for a separate schedule and whether the Bill as introduced affects the basic structure of the Constitution.
- (iii) Reasons for vesting powers of auditing of Municipalities and Corporations with the Central Audit while in the case of Panchayats, the powers have been given to States.
- (iv) The plan schemes proposed to be implemented with the help of Municipalities and the mode of financing for non-plan schemes.
- (v) Contribution of Central Government either by allocating funds separately by the Planning Commission or other agencies for the development of urban population.
- (vi) The sources of funds for the development of Municipalities and Corporations.
- (vii) The role of Finance Commission.
- (viii) The total income of the State Governments (State-wise), and the amounts transferred to local bodies during the last 3 years.
- (ix) Any other information/document which the Ministry might like to furnish for better appreciation of the provisions of the Bill.

7. The Committee desired that the Ministry of Urban Development might be requested to analyse the points that might be made in the Memoranda and replies to questionnaire by non-officials etc. as well as during the course of evidence and to give their comments thereon clause-wise for the consideration of the Committee.

The Committee adjourned to meet again on Thursday, the 13th February, 1992 at 1100 hours.

III
Third Sitting

The Committee met on Thursday, the 13th February, 1992 from 1100 hours to 1250 hours.

PRESENT

Shri K.P. Singh Deo — *Chairman*

MEMBERS

Lok Sabha

2. **Shri Pawan Kumar Bansal**
3. **Shri Chitta Basu**
4. **Shri Dau Dayal Joshi**
5. **Shrimati Sumitra Mahajan**
6. **Shri Yelliah Nandi**
7. **Shri Hari Kewal Prasad**
8. **Shri Ebrahim Sulaiman Sait**
9. **Kumari Selja**
10. **Shri P.C. Thomas**

Rajya Sabha

11. **Shri Mohammed Afzal** *Alias Meem Afzal*
12. **Shri N.E. Balaram**
13. **Shri S.K.T. Ramachandran**
14. **Shri Santosh Kumar Sahu**
15. **Shri S. Viduthalai Virumbi**

SECRETARIAT

Shri S.C. Gupta — *Joint Secretary*
Shri A.N. Gupta — *Under Secretary*

REPRESENTATIVES OF THE MINISTRY OF URBAN DEVELOPMENT

Shri K. Dharmarajan, Joint Secretary
Shri R.P.S. Pawar, Director (LSG)

REPRESENTATIVES OF THE MINISTRY OF LAW & JUSTICE (LEGISLATIVE DEPARTMENT)

Shri B.S. Saluja, Joint Secretary and Legislative Counsel
Shri K.N. Chaturvedi, Deputy Legislative Counsel

2. The Committee considered Questionnaires supplied by the Ministry of Urban Development on the points arising out of provisions of the Constitution (Seventy-third Amendment) Bill, 1991 and suggested changes in the wordings of Question Nos. 2.1, 2.2, 4.8, 5.1, 6.1.(b), 6.4. Committee also

desired that Question Nos. 3.7, 4.8 may be made more exhaustive and if necessary more questions may be added. Wherever necessary, the questions may be clarified by giving foot-notes.

3. The Committee directed the Ministry of Urban Development to revise the questionnaire in the light of discussion held and send the copies of the revised questionnaire to Lok Sabha Secretariat by the 14th February, 1992 so that it could be sent to the Chief Secretaries of State Governments and Union Territory Administrations, Bar Councils/Bar Associations and other organisations etc. The Committee also decided that replies to the questionnaire might be obtained by 6th March, 1992.

4. The Committee agreed that Motion for extension of time for presentation of Report might be moved in the House on the last day of the first week of the Budget Session, 1992 i.e. on 28th February, 1992. It was also agreed that extension of time might be sought upto the last day of the first week of the Fourth Session, 1992.

The Committee decided to meet again on 23rd March, 1992, at 5.00 p.m.

The Committee then adjourned.

IV
Fourth Sitting

The Committee met on Friday, 6 March, 1992 from 1500 to 1545 hours.

PRESENT

Shri K.P. Singh Deo — *Chairman*

MEMBERS
Lok Sabha

2. Shri Girdhari Lal Bhargava
3. Prof Malini Bhattacharya
4. Shri Probin Deka
5. Shri Dau Dayal Joshi
6. Shri Shankarrao D. Kale
7. Shri Tarachand Khandelwal
8. Kum. Padmasree Kudumula
9. Shri Hari Kishore Singh

Rajya Sabha

10. Shri S.K.T. Ramachandran

SECRETARIAT

Shri R.K. Chatterjee — *Deputy Secretary*
Shri A.N. Gupta — *Under Secretary*

REPRESENTATIVES OF THE MINISTRY OF URBAN DEVELOPMENT

Shri R.V. Pillai, Addl. Secretary, - Ministry of Urban Development
Shri R.P.S. Pawar, Director(LSG)

REPRESENTATIVES OF THE MINISTRY OF LAW & JUSTICE (LEGISLATIVE DEPARTMENT)

Shri B.S. Saluja — *Joint Secretary and Legislative Counsel*
Shri K.N. Chaturvedi — *Deputy Legislative Counsel*

2. The Chairman apprised the Committee about the progress of work since the last meeting held in February, 1992. He *inter-alia* stated that there has been some delay in giving advertisement by the Ministry in the newspapers. Therefore the date of receiving replies to questionnaire/memoranda from organisations/individuals might be extended upto 15 March, 1992.

3. It was decided that in addition to experts/organisations from whom the memoranda have

already been sought, the comments may be invited from the following persons/bodies as well:

- (1) Shri Jag Pravesh Chandra;
- (2) Shri Vijay Kumar Malhotra;
- (3) Shri Jag Mohan;
- (4) Shri Purshottam Goyal; and

(5) 73 Corporations (whose list has already been supplied by the Ministry) and the Municipalities in various States.

4. The Committee decided to take evidence sometime in the first week of April after watching the response from public/experts/bodies.

5. The Committee authorised the Chairman to form five Study Groups for the purpose of undertaking on-the-spot study visits in different parts of the country after the termination of current session of Lok Sabha.

The Committee thereafter adjourned to meet again on 23rd March, 1992.

V
Fifth Sitting

The Committee met on Monday, 23 March, 1992 from 1700 to 1815 hours.

PRESENT

Shri K.P. Singh Deo — *Chairman*

MEMBERS
Lok Sabha

2. **Shri Pawan Kumar Bansal**
3. **Shri Chitta Basu**
4. **Shri Probin Deka**
5. **Shri Shankarrao D. Kale**
6. **Kumari Padmasree Kudumula**
7. **Smt. Sumitra Mahajan**
8. **Shri Yelliah Nandi**

Rajya Sabha

9. **Shri N.E. Balaram**
10. **Shri Radhakishan Malaviya**
11. **Shri S. Viduthalai Virumbi**

SECRETARIAT

Shri S.C. Gupta — *Joint Secretary*
Shri R.K. Chatterjee — *Deputy Secretary*
Shri Ram Kumar — *Assistant Director*

REPRESENTATIVES OF MINISTRY OF URBAN DEVELOPMENT

Shri K. Dharmarajan — *Joint Secretary*
Shri R.P.S. Pawar — *Director (L.S.G.)*
Shri K.B. Rajoria — *Chief Engineer (Training)*
Shri Sundar Jethwani — *Engineer (Training), CPWD*

REPRESENTATIVES OF MINISTRY OF LAW & JUSTICE

Shri B.S. Saluja — *Joint Secretary & Legislative Counsel*
Shri K.N. Chaturvedi — *Deputy Legislative Counsel*

2. At the outset, the Chairman informed the members that memoranda and replies to

questionnaire were being received in the Secretariat from various associations and individuals, municipalities and municipal corporations, and State Governments too. This had been possible due to the efforts made by the Secretariat and the Ministry. The All India Council of Mayors had also given certain suggestions. After a brief discussion, the Committee agreed that the memoranda, replies to questionnaire etc., might be accepted till 31 March, 1992, which would be the cut-off date.

3. The Chairman also informed that a meeting with the Chairman, Law Commission might be arranged after a firm date was indicated by the later.

4. With regard to the deliberations on the memoranda etc. received by the Committee, the members expressed the opinion that it would be in the fitness of things to initiate discussions on them only after their receipt by the cut-off date and its analysis by the Ministry of Urban Development to facilitate clause-by-clause consideration of the Bill. In the meanwhile, the Committee decided to go ahead with the programme of oral evidence of the witnesses.

5. In the first instances, it was agreed to have evidence on 31.3.1992 of the representatives of the Indian Institute of Public Administration, the All India Council of Mayors and the town and Country Planning Organisation.

6. Some members pointed out the grievances of population in the civil areas of the cantonments and pleaded for creating separate municipality for redressal of their genuine grievances. The Chairman observed that the matters could be taken up with the representatives of the Ministry of Defence and the Director-General, Defence Estates. In this connection, Chairman also referred to the memorandum received from the Ministry of Railways. However, Port Trusts and Postal Services had not responded.

7. The Chairman further observed that outside visits could be undertaken only after the current Session of Parliament was over. He also apprised the members that certain reference material has been placed in his Room No. 110-B, Parliament House for use by the members

The Committee then adjourned to meet again on 31 March, 1992.

VI

Sixth Sitting

The Committee met on Tuesday, 31 March, 1992 from 1500 to 1800 hours.

PRESENT

Shri K.P. Singh Deo—Chairman

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Shri Chitta Basu
4. Shri Girdhari Lal Bhargava
5. Prof. Malini Bhattacharya
6. Shri Probin Deka
7. Shri Dau Dayal Joshi
8. Shri Shankarrao D. Kale
9. Smt. Sumitra Mahajan
10. Shri Suraj Mandal
11. Dr. Debi Prosad Pal
12. Shri Hari Kishore Singh
13. Shri P.C. Thomas

Rajya Sabha

14. Shri N.E. Balaram
15. Shri Radhakishan Malaviya
16. Shri S.K.T. Ramachandran
17. Shri S. Viduthalai Virumbi

SECRETARIAT

Shri R.K. Chatterjee —Deputy Secretary
Shri Ram Kumar —Assistant Director

REPRESENTATIVES OF MINISTRY OF URBAN DEVELOPMENT

Shri R.V. Pillai —Additional Secretary
Shri R.P.S. Pawar —Director (L.S.G.)

REPRESENTATIVES OF MINISTRY OF LAW & JUSTICE

Shri B.S. Saluja —Joint Secretary & Legislative Council
Shri K.N. Chaturvedi —Deputy Legislative Council

2. The Committee took oral evidence of the following:

- (i) ***Indian Institute of Public Administration, New Delhi.***
Prof. Abhijit Datta

(ii) *All India Council of Mayors, New Delhi.*

Shri K. Narayanaswamy, Chairman

(iii) *Town & Country Planning Organisation, New Delhi.*

Shri D.S. Meshram, Chief Planner.

A verbatim record of evidence was kept.

3. The Committee decided to hold their next sitting on Wednesday, 8 April, 1992 to take oral evidence of the following.

(i) *National Institute of Urban Affairs, New Delhi.*

Shri K.C. Sivaramakrishnan, Vice-President

(ii) *Representatives of Ministry of Railways*

(iii) *Representatives of Ministry of Defence*

The Committee then adjourned.

VII

Seventh Sitting

The Committee met on Wednesday, 8 April, 1992 from 1500 to 1845 hours.

PRESENT

Shri K.P. Singh Deo—*Chairman*

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Shri Chitta Basu
4. Shri Girdhari Lal Bhargava
5. Prof. Malini Bhattacharya
6. Shri Probin Deka
7. Shri Shankarrao D. Kale
8. Shri Yelliah Nandi
9. Shri Tarachand Khandelwal
10. Kumari Selja

Rajya Sabha

11. Shri Radhakishan Malaviya
12. Shri Bhaskar Annaji Masodkar
13. Shri S.K.T. Ramachandran
14. Shri Santosh Kumar Sahu
15. Shri S. Viduthalai Virumbi

SECRETARIAT

Shri S.C. Gupta	— <i>Joint Secretary</i>
Shri R.K. Chatterjee	— <i>Deputy Secretary</i>
Shri Ram Kumar	— <i>Assistant Director</i>

REPRESENTATIVES OF MINISTRY OF URBAN DEVELOPMENT

Shri K. Dharmarajan	— <i>Joint Secretary</i>
Shri R.P.S. Pawar	— <i>Director (L.S.G.)</i>

REPRESENTATIVES OF MINISTRY OF LAW & JUSTICE

Shri B.S. Sahuja	— <i>Joint Secretary & Legislative Council</i>
Shri K.N. Chaturvedi	— <i>Deputy Legislative Council</i>

2. The Committee took oral evidence of the following:

(i) *National Institute of Urban Affairs, New Delhi.*
Shri K.C. Sivaramakrishnan—*Vice President*

(ii) *Ministry of Railways (Railway Board)*
Dr. Yogendra Pal Anand—*Chairman*

Ministry of Defence

Shri K.A. Nambiar —Additional Secretary

Shri P.K. Kumaran —Director-General, Defence Estates.

verbatim record of evidence was kept.

3. The Committee decided to hold their next sitting on 22 April, 1992 to take oral evidence of the following:

(i) *Former Chief Executive Councillors of Delhi*

1. Shri Vijay Kumar Malhotra

2. Shri Kedar Nath Sawhney

3. Shri Jag Parvesh Chandra

(ii) *Central Advisory Board of Social Defence, Bhubaneswar:*

Shri R.N. Mohapatra, Ex-Member

The Committee then adjourned

VIII
Eight Sitting

The Committee met on Wednesday, 22 April, 1992 from 15.00 to 17.10 hours.

PRESENT

Shri K.P. Singh Deo — Chairman

MEMBERS

Lok Sabha

2. **Shri Pawan Kumar Bansal**
3. **Shri Girdhari Lal Bhargava**
4. **Prof. Malini Bhattacharya**
5. **Shri Probin Deka**
6. **Shri Dau Dayal Joshi**
7. **Shri Shankarrao D. Kale**
8. **Shrimati Sumitra Mahajan**
9. **Shri Hari Kishore Singh**

Rajya Sabha

10. **Shri N.E. Balaram**
11. **Shri Radhakishan Malaviya**
12. **Shri Bhaskar Annaji Masodkar**
13. **Shri S K.T. Ramachandran**
14. **Shri K.N. Singh**
15. **Shri S. Viduthalai Virumbi**

SECRETARIAT

1. **Shri S.C. Gupta — Joint Secretary**
2. **Shri R.K. Chatterjee — Deputy Secretary**
3. **Shri Ram Kumar — Assistant Director**

REPRESENTATIVES OF MINISTRY OF URBAN DEVELOPMENT

Shri K. Dharmarajan, Joint Secretary

Shri R.P.S. Pawar, Director (L.S.G.)

REPRESENTATIVES OF MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS

Shri B.S. Saluja, Joint Secretary and Legislative Counsel

Shri K.N. Chaturvedi, Deputy Legislative Counsel.

2. **The Committee took oral evidence of the following:**

(i) Former Chief Executive Councillor of Delhi

Shri Vijay Kumar Malhotra

(ii) Central Advisory Board on Social Defence

Shri R.N. Mohapatra, Ex-Member

3. **After the witnesses withdrew, the Chairman informed the Members that the Committee would divide themselves into three Sub-Committees and visit various States for recording evidence of State**

Governments, urban local bodies like Municipal Committees, Corporations, Councils, Cantonment Boards and Port Trust etc. Each Sub-Committee could visit 4-5 or more States for the duration of 8-9 days with effect from 25 May to 3 June, 1992. For this purpose, a tentative tour programme will be circulated to the members for indicating their options.

4. He further informed that a joint sitting of the two Joint Committees on the Constitution 72nd and 73rd Amendment Bills, would be held on 28 April, 1992 to have a discussion on the common provisions of the two Bills. The Chairman directed the officers of the Ministry of Urban Development to prepare a report on the work done so far and cull out important points made out by various witnesses on each clause of the Bill separately.

5. He also informed that the Committee would sit on 6 May, 1992 to take oral evidence of the following:

Shri Jag Parvesh Chandra,	Former Chief Executive Councillor of Delhi.
Shri Charles M. Correa,	Ex-Chairman, National Council on Urbanisation, Bombay.
Shri M.N. Buch,	Chairman, National Centre for Human Settlement and Environment, Bhopal.

6. Thereafter the Chairman announced a tentative schedule of completion of various works relating to various stages of the examination of the Bill as under:-

Visits by Sub-Committees	25.5.1992 to 3.6.1992
Notices of amendements to Bill from members/Government.	11.6.1992
Clause by Clause consideration of the Bill.	17.6.92 to 19.6.1992
Consideration and adoption of draft Report.	7.7.1992

The Committee then adjourned.

IX
NINTH SITTING

The Committee met on Wednesday, 6 May, 1992 from 15.00 to 17.30 hours.

PRESENT

Shri K.P. Singh Deo — Chairman

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Shri Chitta Basu
4. Shri Girdhari Lal Bhargava
5. Prof. Malini Bhattacharya
6. Shri Probin Deka
7. Shri Dau Dayal Joshi
8. Shri Shankarrao D. Kale
9. Kumari Padmasree Kudumula
10. Smt. Sumitra Mahajan
11. Dr. Debi Prosad Pal
12. Kumari Selja
13. Shri Hari Kishore Singh

Rajya Sabha

14. Shri Radhakishan Malviya
15. Shri Bhaskar Annaji Masodkar
16. Shri S.K.T. Ramachandran
17. Shri K.N. Singh

SECRETARIAT

Shri S.C. Gupta — *Joint Secretary*
Shri R.K. Chatterjee — *Deputy Secretary*
Shri Ram Kumar — *Assistant Director*

REPRESENTATIVE OF THE MINISTRY OF URBAN DEVELOPMENT

Shri K. Dharamarajan, Joint Secretary

2. The Committee took oral evidence of the following:—

(i) *Former Chief Executive Councillor of Delhi*

Shri Jag Parvesh Chandra

(ii) *National Centre for Human Settlement & Environment, Bhopal*

Shri M.N. Buch, Chairman

A verbatim record of the evidence was kept.

The Committee then adjourned to meet again on 11 May, 1992.

X
TENTH SITTING

The Committee met on Wednesday, 17 June, 1992 from 10.30 to 13.30 hours and again from 14.40 to 17.10 hours.

PRESENT

Shri K.P. Singh Deo — *Chairman*

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Shri Chitta Basu
4. Shri Girdhari Lal Bhargava
5. Shri Probin Deka
6. Shri Dau Dayal Joshi
7. Shri Shankarrao D. Kale
8. Shri Tarachand Khandelwal
9. Smt. Sumitra Mahajan
10. Shri Yelliah Nandi
11. Shri Hari Kewal Prasad
12. Shri Hari Kishore Singh

Rajya Sabha

13. Shri Radhakishan Malviya
14. Shri Bhaskar Annaji Masodkar
15. Shri Ghulam Rasool Matto
16. Shri S.K.T. Ramachandran
17. Shri K.N. Singh

SECRETARIAT

Shri S.C. Gupta — *Joint Secretary*
Shri R.K. Chatterjee — *Deputy Secretary*
Shri Ram Kumar — *Assistant Director*

REPRESENTATIVE OF THE MINISTRY OF URBAN DEVELOPMENT

Shri K. Dharamarajan, Joint Secretary

REPRESENTATIVE OF THE MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS

Shri B.S. Saluja, Joint Secretary and Legislative Counsel.

2. The Committee held a general discussion on the various amendments to the Bill, given notice of, by the Members.

3. The Committee then took up Clause-wise consideration of the Bill.

Article 243P

4. The following amendment was accepted:—

Page 1, lines 16-17

Omit "(by whatever name called)"

Article 243Q:

5. The article was adopted without any amendment.

Article 243R:

6. The Committee felt that the language of this article should be in line with that of article 243S and the representation of various persons in a Municipality should be included in one clause. The Legislative Counsel was asked to re-draft the article accordingly.

7. The Committee then adjourned to meet again at 14.40 hours. The Committee re-assembled to resume further clause-wise consideration of the Bill with reference to the amendments proposed.

8. The Committee discussed Articles 243S, 243T, 243U, 243V, 243W, Twelfth Schedule and Article 243 E of Appendix with reference to the amendments proposed by the Members. In this connection, the Committee observed that the various provisions of the Bill should be re-drafted in the light of their deliberations. The Committee also directed the Legislative Counsel to go through the various amendments of the members to find out which of them were redundant.

The Committee then adjourned to meet again at 10.30 hours on Thursday, 18 June, 1992.

XI

ELEVENTH SITTING

The Committee met on Thursday, 18 June, 1992 from 10.30 to 13.30 hours and again from 14.35 to 18.55 hours.

PRESENT

Shri K.P. Singh Deo

-Chairman

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Shri Chitta Basu
4. Prof. Malini Bhattacharya
5. Shri Probin Deka
6. Shri Dau Dayal Joshi
7. Shri Shankarrao D. Kale
8. Shri Tarachand Khandelwal
9. Smt. Sumitra Maharajan
10. Shri Yelliah Nandi
11. Dr. Debi Prosad Pal
12. Shri Hari Kewal Prasad
13. Kumari Selja
14. Shri Hari Kishore Singh
15. Shri P.C. Thomas

Rajya Sabha

16. Shri N.E. Balaram
17. Shri Radhakishan Malviya
18. Shri Ghulam Rasool Matto
19. Shri S.K.T. Ramachandran
20. Shri K.N. Singh

SECRETARIAT

Shri S.C. Gupta	— <i>Joint Secretary</i>
Shri R.K. Chatterjee	— <i>Deputy Secretary</i>
Shri Ram Kumar	— <i>Assistant Director</i>

REPRESENTATIVES OF THE MINISTRY OF URBAN DEVELOPMENT

Shri K. Dharmarajan	— <i>Joint Secretary</i>
Dr.(Mrs.) Kiran Chadha	— <i>Deputy Secretary (L.S.G)</i>

Shri B.S. Saluja, — Joint Secretary and Legislative Counsel.

2. The Committee resumed further discussion on the various articles as contained in the Bill (including the articles contained in Appendix thereto) with particular reference to the amendments given notice of by the Members and evolved a general agreement on the amendments to be set-forth in the Bill. The Committee desired to have a redraft of the Bill incorporating the general line of acceptance as indicated by the Committee. The Legislative Counsel was asked to place the revised draft for consideration at their next sitting.

3. The Committee then adjourned for luncheon and reassembled at 14.35 hours.

4. The Committee then deliberated upon the matters connected with the augmentation of the resources of the local urban bodies in detail and decided that the ideas contributed by the Members might be given shape while re-drafting the Bill. The Committee also discussed district planning formations and approved the idea of constituting a planning committee in each state to consist of the elected Members of the Panchayats and the Municipalities in proportion to the rural and urban population ratio.

The Committee then adjourned to meet again at 16.00 hours on Friday, 19 June, 1992. ,

XII

TWELFTH SITTING

The Committee met on Friday, 19 June, 1992 from 16.00 to 20.30 hours.

PRESENT

Shri K.P. Singh Deo

—*Chairman*

MEMBERS

Lok Sabha

2. Shri Pawan Kumar Bansal
3. Shri Chitta Basu
4. Shri Probin Deka
5. Prof. Ashokrao Anandrao Deshmukh
6. Shri Dau Dayal Joshi
7. Shri Shankarrao D. Kale
8. Shri Tarachand Khandelwal
9. Shri Suraj Mandal
10. Shri Yelliah Nandi
11. Shri Hari Kewal Prasad
12. Kumari Selja
13. Shri Hari Kishore Singh

Rajya Sabha

14. Shri N.E. Balaram
15. Shri Radhakishan Malviya
16. Shri Bhaskar Annaji Masodkar
17. Shri Ghulam Rasool Matto
18. Shri S.K.T Ramachandran
19. Shri K.N. Singh
20. Shri S. Viduthalai Virumbi

SECRETARIAT

Shri S.C. Gupta — *Joint Secretary*
Shri R.K. Chatterjee — *Deputy Secretary*
Shri Ram Kumar — *Assistant Director*

REPRESENTATIVES OF THE MINISTRY OF URBAN DEVELOPMENT

Shri K. Dharmarajan, *Joint Secretary (UD)*
Dr.(Mrs.) Kiran Chadha, *Deputy Secretary (L.S.G)*

REPRESENTATIVE OF THE MINISTRY OF LAW, JUSTICE
AND COMPANY AFFAIRS

Shri B.S. Saluja, *Joint Secretary and Legislative Counsel.*

2. The Committee took up Clause-by-Clause consideration of the Bill.

Article 243 P

3. The following amendment was accepted:

Page 1, for lines 14-20, *substitute*

“(b) “Metropolitan area” means an area having a population of twenty lakhs or more, comprised in one or more districts and consisting of two or more Municipalities or Panchayats or other contiguous areas, specified by the Government of a State, by public notification, to be a Metropolitan area for the purposes of this part;

(c) “Municipal area” means the territorial area of a Municipality as is notified by the Government of a State;

(d) “Municipality” means an institution of self-Government constituted under article 243Q;

(e) “Panchayat” means a Panchayat constituted under article 243B;

(f) “Population” means the population as ascertained at the last preceding census of which the relevant figures have been published.”

Article 243P, as amended, was adopted.

Article 243R

Page 2, for lines 15-36, *substitute*

“243R. (1) Save as provided in clause (2), all the seats in a Municipality shall be filled by persons chosen by direct election from the territorial constituencies in the Municipal area and for this purpose each Municipal area shall be divided into territorial constituencies to be known as wards.

(2) The Legislature of a State may, by law, provide -

(a) for the representation in a Municipality of—

(i) Persons having special knowledge or experience in Municipal administration;

(ii) the members of the House of the people and the members of the Legislative Assembly of the State representing constituencies which comprise wholly or partly the Municipal area;

(iii) the members of the Council of States and the members of the legislative Council of the State registered as electors within the Municipal area;

(iv) the Chairpersons of the Committee constituted under clause (5) of article 243S:

Provided that the persons referred to in item (i) shall not have the right to vote in the meetings of the Municipality:

(b) the manner of election of the chairperson of a Municipality”

Article 243R, as amended, was adopted.

Article 243S

5. Page 2, for lines 37-46 and Page 3, for lines 1-2 *substitute*

“243S (1) There shall be constituted Wards Committees, consisting of one or more wards, within the territorial area of a Municipality having a population of three lakhs or more.

(2) The Legislature of a State may, by law, make provision with respect to—

- (a) the composition and the territorial area of a Wards Committee;
- (b) the manner in which the seats in a Wards Committee shall be filled.

(3) A member of a Municipality representing a ward within the territorial area of the Wards Committee shall be a member of that Committee.

(4) where a Ward Committee consists of—

- (a) one ward, the member representing that ward in the Municipality; or
- (b) two or more wards, one of the members representing such wards in the Municipality elected by the members of the Wards Committee.

shall be the Chairperson of that Committee.

Nothing in this article shall be deemed to prevent the Legislature of a State from making any provision for the constitution of Committees in addition to the Wards Committees."

Article 243S, as amended, was adopted.

Article 243T

6. The Committee decided that the provisions of article 243D [except the provisos to clause (4)], 243E [except (3)], 243 F, 243 H, 243 I, 243 K, 243 L, 243 N and 243 O relating to Panchayats shall be reproduced in full within suitable modifications in the Bill for application in relation to Municipalities.

The following amendment was accepted:

Page 3, *omit* lines 3-6

Article 243T was omitted.

Article 243D

7. Article 243 D of Part IX was modified and adopted to read as under:—

"243 T. (1) seats shall be reserved for the Scheduled Castes and the Scheduled Tribes in every Municipality and the number of seats so reserved shall bear, as nearly as may be, the same proportion to the total number of seats to be filled by direct election in that Municipality as the population of the Scheduled Castes in that Municipal area or of the Scheduled Tribes in that Municipal area bears to the total population of that area and such seats may be allotted by rotation to different constituencies in a Municipality.

(2) Not less than one-third of the total number of seats reserved under clause (1) shall be reserved for women belonging to the Scheduled Castes or, as the case may be, the Scheduled Tribes.

(3) Not less than one-third (including the number of seats reserved for women belonging to the Scheduled Castes and the Scheduled Tribes) of the total number of seats to be filled by direct election in every Municipality shall be reserved for women and such seats may be allotted by rotation to different constituencies in the Municipality.

(4) The office of Chairpersons in the Municipalities shall be reserved for the Scheduled Castes, the Scheduled Tribes and women in such manner as the Legislature of a State may, by Law, provide.

(5) The reservation of seats under Clauses (1), (2) and the reservation of office of Chairpersons (other than the reservation for women) under clause (4) shall cease to have effect on the expiration of the period specified in article 334.

(6) Nothing in this Part shall prevent the Legislature of a State from making any provision for reservation of seats in any Municipality or office of Chairpersons in the Municipalities in favour of backward class of citizens."

Article 243E

8. Article 243E of part IX was adopted with amendments to read as under:

"243U. (1) Every Municipality, unless sooner dissolved under any law for the time being in force, shall continue for five years from the date appointed for its first meeting and no longer.*****

(2) An election to constitute a Municipality shall be completed,—

(a) before the expiry of its duration specified in clause (1);

(b) before the expiration of a period of six months from the date of its dissolution:

Provided that if the Legislature of the State passes a resolution to the effect that due to drought, flood, earth-quake or any other natural calamity or emergency, the election can't be held within the period specified in sub-clause (b) of clause (2), the said election shall be completed within a period of one year from the date of dissolution of the Municipality.

(3) The Legislature of a State may, by law, make provisions with respect to the suspension or dissolution of a Municipality:

Provided that before a Municipality is suspended or dissolved, it shall be given a reasonable opportunity of being heard by such authority as is constituted by such law:

Provided further that the suspension of a Municipality shall not affect the continuation of the Committee constituted under article 243S."

Article 243F

9. Article 243F of Part IV was adopted with modifications to read as under:

"243V. (1) A person shall be disqualified for being chosen as, and for being, a member of a Municipality—

.. .. .

(a) if he is so disqualified by or under any law for the time being in force for the purposes of elections to the Legislature of the State concerned:

Provided that no person shall be disqualified on the ground that he is less than twenty-five years of age, if he has attained the age of twenty-one years;

(b) if he is so disqualified by or under any law made by the legislature of the State.

(2) If any question arises as to whether a member of a Municipality has become subject to any of the disqualifications mentioned in clause (1), the question shall be referred for the decision of such authority and in such manner as the Legislature of a State may, by law, provide."

Article 243V.

10. Article 243V was re-numbered as article 243W and adopted without any amendment.

Article 243H

11. Article 243H of part IX was adopted with slight modifications to read as under:

"243X. The Legislature of a State may, by law,—

(a) authorise a Municipality to levy, collect, and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits;

- (b) assign to a Municipality such taxes, duties, tolls and fees levied and collected by the State Government for such purposes and subject to such conditions and limits;
- (c) provided for making such grants-in-aid to the Municipalities from the Consolidated Fund of the State; and
- (d) provide for constitution of such Funds for crediting all moneys received respectively, by or on behalf of the Municipalities and also for the withdrawal of such moneys therefrom, as may be specified in the law."

Article 243I

12. Article 243 I of part IX was adopted with amendments to read as under:

"243Y (1) The Governor of a State shall as soon as may be within one year from the commencement of the Constitution (Seventy-third Amendment) Act, 1992, and thereafter at the expiration of every fifth year, constitute a Finance Commission to review the financial position of the Municipalities and to make recommendations to the Governor as to—

- (a) the principles which should govern—
 - (i) the distribution between the State and the Municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the State which may be divided between them under this Part and the allocation between the Municipalities at all levels of their respective shares of such proceeds;
 - (ii) the determination of the taxes, duties, tolls and fees which may be assigned to, or appropriated by, the Municipalities;
 - (iii) the grants-in-aid to the Municipalities from the Consolidated Fund of the State;
- (b) the measures needed to improve the financial position of the Municipalities;
- (c) the extent to which the Consolidated Fund of the State needs to be augmented by the assistance from the Government of India to supplement the resources of the Municipalities;
- (d) any other matter referred to the Finance Commission by the Governor in the interests of sound Finance of the Municipalities.

(2) The Legislature of a State may, by law, provide for the composition of the Commission, the qualifications which shall be requisite for appointment as members thereof and the manner in which they shall be selected.

(3) The Commission shall determine their procedure and shall have such powers in the performance of their functions as the Legislature of the State may, by law, confer on them.

(4) The Governor shall cause every recommendation made by the Commission under this article together with an explanatory memorandum as to the action taken thereon to be laid before the Legislature of the State "

Article 243U

13. Article 243U was re-numbered as article 243Z and adopted without any amendment.

Article 243K

14. Article 243K of part IX was modified and adopted to read as under:

"243ZA Subject to the provisions of this Constitution, the Legislature of a State may, by law, make provision with respect to all matters relating to, or in connection with elections to the Municipalities."

Article 243L

15. Article 243L of part IX was adopted with amendment to read as under:

"243ZB. The provisions of this Part shall apply to the Union territories and shall, in their application to a Union territory, have effect as if the references to the Governor of a State were references to the Administrator of the Union Territory appointed under article 239 and references to the Legislature or the Legislative Assembly of a State were references in relation to a Union territory having a Legislative Assembly, to that Legislative Assembly:

Provided that the President may, by public notification, direct that the provisions of this part shall apply to any Union territory or part thereof subject to such exceptions and modifications as he may specify in the notification."

Article 243W

16. Page 3, for lines 35-43, substitute

"243 ZC. (1) Nothing in this part shall apply to the Scheduled Areas referred to in clause (1), and the tribal areas referred to in clause (2), of article 244.

(2) Notwithstanding anything in this Constitution, Parliament may, by law, extend the provisions of this Part to the Scheduled Areas and the tribal areas, referred to in clause (1), subject to such exceptions and modifications as may be specified in such law, if the Legislature of a State passes a resolution to that effect, and no such law shall be deemed to be an amendment of this Constitution for the purposes of article 368."

Article 243W was re-numbered as 243ZC and adopted, as amended.

17. The Committee felt that there should be a provision for constitution of a District Planning Committee in every State at the district level with a view to consolidating the plans prepared by the Panchayats and the Municipalities in the district as a whole. The Committee, therefore, decided to insert a new article to read as under:—

"243ZD. (1) There shall be constituted in every State at the district level a District Planning Committee to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft development plan for the district as a whole.

(2) The Legislature of a State may, by law, make provisions with respect to—

(a) the composition of the District Planning Committees;

(b) the manner in which the seats in such Committees shall be filled:

Provided that not less than four-fifths of the total number of members of such Committee shall be elected by, and from amongst, the elected members of the Panchayat at the district level and of the Municipalities in the district in proportion to the ratio between the population of the rural areas and of the urban areas in the district;

(c) the functions relating to district planning which may be assigned to such Committees;

(d) the manner in which the Chairpersons of such Committees shall be chosen.

(3) The District Planning Committee shall, in preparing the draft development plan,;—

(a) have regard to:—

(i) matters of common interest between the Panchayats and the Municipalities including spatial planning, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation;

(ii) the extent and type of available resources whether financial or otherwise;

(b) consult such institutions and organisations as the Governor may, by order, specify. .

(4) The Chairperson of the District Planning Committee shall forward the development plan, as recommended by such Committee, to the Government of the State."

18. The Committee felt that there should be a provision for constitution of a Metropolitan Planning Committee to prepare a draft development plan for the metropolitan area as a whole. To achieve this end, the Committee approved the following article for inclusion in the Bill:—

"243ZE. (1) There shall be constituted in every metropolitan area a Metropolitan Planning Committee to prepare a draft development plan for the Metropolitan area as a whole.

(2) The Legislature of a State may, by law, make provisions with respect to —

(a) the composition of the Metropolitan Planning Committees;

(b) the manner in which the seats in such Committees shall be filled;

Provided that not less than two-thirds of the members of such Committee shall be elected by, and from amongst, the elected members of the Municipalities and Chairpersons of the Panchayats in the Metropolitan area in proportion to the ratio between the population of the Municipalities and of the panchayats in that areas;

(c) representation in such Committee of the Government of India and the Government of the State and of such organisations and institutions as may be deemed necessary for carrying out the functions assigned to such Committee;

(d) the functions relating to planning and coordination for the metropolitan area which may be assigned to such Committees;

(e) the manner in which the Chairpersons of such Committees shall be chosen.

(3) The Metropolitan Planning Committee shall, in preparing the draft development plan,—

(a) have regard to —

(i) the plans prepared by the Municipalities and the Panchayats in the Metropolitan area;

(ii) matters of common interest between the Municipalities and the Panchayats, including co-ordinated spatial planning of the area, sharing of water and other physical and natural resources, the integrated development of infrastructure and environmental conservation;

(iii) the overall objectives and priorities set by the Government of India and the Government of the State;

(iv) the extent and nature of investments likely to be made in the Metropolitan area by agencies of the Government of India and of the Government of the State and other available resources whether financial or otherwise;

(b) consult such institutions and organisations as the Governor may, by order, specify.

(4) The Chairperson of the Metropolitan Planning Committee shall forward the development plan, as recommended by such Committee, to the Government of the State."

Article 243N

19. Article 243N of part IX was adopted with slight modifications to read as under:—

"243ZF. Notwithstanding anything in this Part, any provision of any law relating to Municipalities in force in a State immediately before the commencement of the Constitution (Seventy-third Amendment) Act, 1992, which is inconsistent with the provisions of this Part, shall continue to be in force until amended or repealed by a competent Legislature or other competent authority or until the expiration of one year from such commencement, whichever is earlier:

Provided that all the Municipalities existing immediately before such commencement shall continue till the expiration of their duration, unless sooner dissolved by a resolution passed to that effect by the Legislative Assembly of that State or, in the case of a State having a Legislative Council, by each House of the Legislature of that State."

Article 243O

20. Article 243O of part IX was adopted with slight modification to indicate reference to article 243ZA in place of article 243K, to read as under:-

"243ZG. Notwithstanding anything in this Constitution,—

- (a) the validity of any law relating to the delimitation of constituencies or the allotment of seats to such constituencies, made or purporting to be made under article 243ZA shall not be called in question in any court;
- (b) no election to any Municipality shall be called in question except by an election petition presented to such authority and in such manner as is provided for by or under any law made by the Legislature of a State."

Insertion of a new clause 3

21. Clause 3 of the Bill shall be numbered as clause 4 and before clause 4 as so re-numbered, the following clause 3 shall be inserted in the Bill, namely:—

"3. In clause (3) of article 280 of the Constitution, sub-clause (c) shall be lettered as sub-clause (d) and before sub-clause (d) as so re-lettered, the following sub-clause shall be inserted, namely:-

"(c) the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Municipalities in the State on the basis of the recommendations made by the Finance Commission of the State."

Twelfth Schedule

22. Page 4, for lines 1-24, substitute

"4. After the Eleventh Schedule, the following Schedule shall be added, namely:-

"TWELFTH SCHEDULE

(Article 243W)

1. Urban Planning including town planning.
2. Regulation of land-use and construction of Buildings.
3. Planning for economic and social development.
4. Roads and bridges.
5. Water supply for domestic, industrial and commercial purposes.
6. Public health, sanitation conservancy and solid waste management.
7. Fire services.
8. Urban forestry, protection of the environment and Promotion of ecological aspects.
9. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded.
10. Slum improvement and upgradation.
11. Urban poverty alleviation.
12. Provision of urban amenities and facilities such as parks, gardens, playgrounds.
13. Promotion of cultural educational and aesthetic aspects.
14. Burials and burial grounds; cremations, cremation grounds and electric crematoriums.
15. Cattle pounds; prevention of cruelty to animals.
16. Vital statistics including registration of births and deaths.
17. Public amenities including street lighting, parking lots, bus stops and public conveniences.
18. Regulation of slaughter houses and tanneries."

Twelfth Schedule, as amended, was adopted.

23. Clause 1

The following amendment was accepted:-

Page 1, line 4 *for* '1991', *substitute* '1992'.

Clause 1, as amended, was adopted.

24. Enacting Formula

The following amendment was accepted:—

Page 1, line 1, *for* 'Forty-second' *substitute* 'Forty-third'.

The enacting formula, as amended, was adopted.

25. The long title was adopted without any amendment.

26. The amendments received from the Members which were considered but not accepted by the Committee or were withdrawn by the Members are given in the *Annexure*.

27. The Committee authorised the Legislative Counsel to correct the patent errors and carry out amendments of verbal and consequential nature in the Bill.

The Committee then adjourned to meet again at 16.00 hours on Friday, 3 July, 1992.

ANNEXURE

[Vide para 26 of Minutes]

JOINT COMMITTEE ON THE CONSTITUTION (SEVENTY-THIRD AMENDMENT) BILL, 1991

List of Amendments received from the Members of the Committee which were considered and not accepted by the Committee or withdrawn by the Members.

S. No.	Name of Member and text of Amendment	Article
1	2	3
	SHRI PAWAN KUMAR BANSAL:	
1.	Page 2, lines 2-3, omit "a transitional area, that is to say."	243Q
	SHRI GHULAM RASOOL MATTO:	
2.	page 2, line 12, after "the economic importance" insert "or any other peculiarity of the State"	243Q
	SHRI PAWAN KUMAR BANSAL:	
3.	page 2, after line 14, insert "provided that any area to be designated as 'a larger urban area' shall have population above 3 lakhs."	243Q
	SHRI PAWAN KUMAR BANSAL:	
4.	Page 2, for lines 15—36, substitute "243R Subject to the provisions of this part, the Legislature of a State may, by law, provide for the composition of Municipalities and such law may contain provisions with respect to: (i) Election of members from territorial constituencies known as wards; (ii) Division of a Municipal area into wards; (iii) Representation in a Municipality of— (a) Chairpersons of Committees constituted under article 243S; (b) Persons having special knowledge or experience of Municipal administration; (c) Associate member, namely the member of the State Legislative Assembly representing the Constituency in which the Municipality or any part thereof, is situated; Provided that persons acquiring membership under (b) shall not have the right to vote in the meetings of the Municipality; and (iv) The manner in which the Chairpersons of Municipalities shall be elected."	243R

1	2	3
	SHRI GHULAM RASOOL MATTO:	
5.	Page 2, <i>omit</i> lines 23—27. SHRI CHITTA BASU:	
6.	Page 2, <i>for</i> lines 28-33, <i>substitute</i> “(4) The Legislature of the State may by law, provide for the representation in a municipaity of persons having special knowledge or experience of municipal administration and inclusion of MPs, MLs, MLCs of the area comprising the municipality with voting rights.” SHRI S. K. T. RAMACHANDRAN:	243R
7.	Page 2, lines 34-36, <i>for</i> “election in such manner as the Legislature of a State may, by law, provide.” <i>substitute</i> “elected representatives of the Municipality from amongst themselves.”	243R
8.	Page 2, line 37, <i>for</i> “may” <i>substitute</i> “shall” SHRI GHULAM RASOOL MATTO:	243S
9.	Page 2, line 38, <i>after</i> “ward level” <i>insert</i> “under the Chairmanship of the Municipal Councillor elected from that Ward” SHRI S. K. T. RAMACHANDRAN:	243S
10.	Page 2, line 39, <i>after</i> “Municipality” <i>insert</i> “the population of which is more than one lakh” SHRI PAWAN KUMAR BANSAL:	243S
11.	Page 3, <i>fore</i> lines 3—6, <i>substitute</i> “243T. The provisions of articles 243D [except theprovisons to clause (4)] 243F, 243H, 243I, 243K, 243L [except clause (2)], 243N and 243O shall, so far as may be apply <i>mutatis mutandis</i> to Municipalities as they apply to Panchayats. 243TA(1) Every Municipality, unless sooner dissolved, shall continue for five years from the date appointed for its first meeting and no longer and the expiration of the said period of five years shall operate as dissolution of that Municipality; Provided that steps shall be taken before the expiry of term of five years for holding fresh election and New Municipality thus elected shall assume office on the expiry of term of five years for holding fresh election and the new Municipality thus elected shall assume office on the expiry of the term of the previous Municipality; Provided further that if special reasons exist, the State Legislature may, by a resolution to this effect, extent the time of new election: (2) If the Governor on receipt of a report from the State Government or otherwise is satisfied that a situation has arisen which indicated that a Municipality is not competent to perform or persistently makes default in	243T

performance of the duties imposed on it by or under Law or exceeds or abuses its powers. The Governor may by an order published together with the Statement of reasons thereof in the Official Gazette, suspend a Municipality for such period not exceeding six months, as may be specified in the order or dissolve the Municipality;

Provided that before making order of suspension or dissolution an opportunity shall be given by the State Government to show cause why such an order should not be made and the cause if any, shown would be taken into consideration by the Governor;

Provided further that the Governor may instead of suspending or dissolving a Municipality, take over the administration of a particular department or wing of a Municipality;

Provided further that where a Municipality has been suspended, the Governor may by notification and reasons to be recorded extend the period of suspension from time to time not exceeding one year in the aggregate.

Provided further that the suspension of the dissolution of a Municipality shall not effect the constitution of the Committees constituted under Article 243S; and

(3) Where a Municipality is dissolved before the expiration of its duration, an election to constitute the Municipality shall be completed as soon as may be, and in any case before the expiration of a period of six months from the date of such dissolution;

Provided that if special reasons exist, the State Legislature may, by a resolution to this effect, extend the period of six months to one year."

SHRI S.K.T. RAMACHANDRAN:

12. Page 3, line 4, *omit* 243T
 "[except clause (3)]"

16 Page 3, *after* line 6, *insert* 243T
 "Provided that in case of a Municipality the provisions of sub-clause (2) of Clause 243E shall apply subject to the modification that for the word "dissolved" wherever it occurs in sub-clause (2) shall be substituted by words dissolved or superseded" and the word "dissolution" shall be substituted by the words "dissolution or supersessions," as the case may be;

Provided further that in case of a Municipality, the provisions of Clause 243-0 shall apply subject to the modification that the following sub-clause (c) shall be added thereto:—

(c) The dissolution of supersession of any Municipality shall not be called in question in any Court except before such authority and in such manner as may be provided for by or under any law made by the Legislature of a State."

SHRI CHITTA BASU:

14. Clause (1), *for* 243D
 "such seats shall be allotted by rotation"
substitute "such seats may be allotted by rotation"

SHRI GHULAM RASOOL MATTO:

15. Clause (1), *after* 243D
 "rotation to different constituencies in a Panchayat"
insert "on a principle to be decided by the particular State Legislature"
16. Clause (3), *after* 243D
 "rotation to different constituencies in a Panchayat"
insert "on a principle to be decided by the particular State Legislature"

SHRI CHITTA BASU:

17. *after* Clause (2) *insert* 243E
 "(2A) (a) In case circumstances do not permit holding the election for reasons of whether, natural calamities or otherwise the State Government may postpone the election for such period, as deemed necessary, after recording in writing, the reasons for such postponement.
 (b) The State Government may appoint an advisory Committee, headed by a sitting Judge, to go into the grounds of the proposal of the State Government to supersede a municipality before ordering for the supersession.
 (c) The State Government shall provide opportunity of being heard to the Municipality against which charges of mismanagement etc. have been made, before supersession.
 (d) The election to constitute the Municipality shall be completed as soon as may be, and in any case before the expiration of a period of six months from the date of such supersession.
 (e) The State Legislature shall, by law, prescribe the matter in which the election to the Municipalities shall be conducted."

SHRI GHULAM RASOOL MATTO:

18. *after* Clause (3), *insert* 243E
 "(4) (a) In the event of an election not being possible to be held after the expiry of six months due to circumstances beyond the control of the Administration like drought, flood, insurgency or natural calamity etc, the election can be postponed for a further period of six months by an order in writing by the Chief Election Commissioner who may do so after receipt of the report from the Chief Electoral Officer of the State and report to Parliament giving reasons for extending the period beyond six months.
 (b) Any extension beyond a period of one year can be done only by Parliament after the concerned Ministry receives a report from the Chief Election Commissioner and the State Govt. concerned and also gives its own recommendations to Parliament."

SHRI CHITTA BASU:

19. *after* "dissolved" wherever it occurs, 243E
insert "or superseded"

1	2	3
	SHRI GHULAM RASOOL MATTO:	
20.	for Clause (2), <i>substitute</i> "(2) If any question arises as to whether a Member of a Municipality has become subject to any of the disqualifications mentioned in Clause (1), the question shall be referred for the decision of the Chief Election Commissioner and his decision shall be final."	243F
	SHRI CHITTA BASU:	
21.	Clause (2), <i>after</i> "Governor", <i>insert</i> "who shall obtain the opinion of the Election Commission before arriving at a decision"	243F
	PROF. MALINI BHATTACHARYA:	
22.	<i>after</i> Clause (d), <i>insert</i> "(e) Provide, by law, for levying of property tax by Municipal bodies on all Government properties situated in the same State including those of railways."	243H
	SHRI GHULAM RASOOL MATTO:	
23.	Clause (1), <i>after</i> Sub-Clause (a) (iii), <i>insert</i> "(iv) The grants-in-aid to the Municipalities from the Consolidated Fund of India. (v) The Finance Commission of the State may also recommend to the State Government areas for further augmenting the resources of the Municipalities by way of taxes, levies and fees or from any other source. (vi) If Metropolitan City/Cities having a population of more than 50 lakhs is/are situated in a State for which the Central Government has sanctioned special grants-in-aid on the recommendations of the Central Finance Commission, the Finance Commission of that State may determine and identify the areas for which this amount may be spent."	243I
	SHRI CHITTA BASU:	
24.	Page 3, for lines 7-16, <i>substitute</i> "243U The State Legislature, shall, by law prescribe the manner and form in which the accounts of Municipal Corporation shall be maintained and audited."	243U
	PROF. MALINI BHATTACHARYA:	
25.	Page 3, for lines 7-16, <i>substitute</i> "243U. The accounts of the Municipal Corporations constituted under Article 243Q shall be kept in such form as the State Legislature may, by law, provide."	243U

1	2	3
	SHRI S. VIDUTHALAI VIRUMBI:	
26.	Page 3, lines 14-15, <i>omit</i> "the Governor of the State, who shall cause them to be laid before"	243U
	SHRI S. K. T. RAMACHANDRAN:	
27.	Page 3, line 18, <i>for</i> "may" <i>substitute</i> "shall"	243V
	SHRI S. VIDUTHALAI VIRUMBI:	
28.	Page 3, lines 28-30, <i>omit</i> "including those in relation to the matters listed in the Twelfth Schedule"	243V
29.	Page 3, lines 33-34, <i>omit</i> "including those in relation to matters listed in the Twelfth Schedule."	243V
	PROF. MALINI BHATTACHARYA:	
30.	Page 3, <i>for</i> lines 35-43, <i>substitute</i> "243W. For Scheduled Areas referred to in clause (1) and the tribal areas referred to in Clause (2) of Article 244, the application of this part shall be provided for in so far as and in such as the State Legislature may deem fit."	243W
	SHRI GHULAM RASOOL MATTO:	
31.	Page 3, line 41, <i>after</i> "as may be specified in such law," <i>insert</i> "after obtaining prior approval of the concerned State Legislature."	243W
	SHRI CHITTA BASU:	
32.	Page 3, line 41, <i>after</i> "such law," <i>insert</i> "with the consent of State Legislature."	243W
	SHRI GHULAM RASOOL MATTO:	
33.	Page 3, <i>after</i> Article 243W, <i>insert</i> "243X. (1) The Central Government may sanction grant-in-aid for the Municipalities from the Consolidated Fund of India for augmenting its resources which shall be allocated to the various Municipalities of the State by the Finance Commission of the State concerned. (2) The Central Government may sanction grants-in-aid for the Metropolitan Cities having a population of over 50 lakhs for specific purposes identified by the State Finance Commission. 243Y. The Central Government will endeavour as far as possible and also keeping the peculiar features of a State in view, that the State Legislatures enact uniform laws for the Constitution of the Municipalities so that more and effective power is exercised by the chosen representatives of the Municipalities."	Insertion of new Articles 243X and 243Y.
	SHRI S. VIDUTHALAI VIRUMBI:	
34.	Page 4, <i>omit</i> lines 1-24,	Twelfth Schedule

1	2	3
	SHRI CHITTA BASU:	
35.	Page 4, <i>after</i> line 24, <i>insert</i> "17. Street lighting, parking lots, bus stop etc."	Twelfth Schedule
	SHRI S. K. T. RAMACHANDRAN:	
36	Page 4, <i>after</i> line 24, <i>insert</i> "17. Street lighting,"	Twelfth Schedule

XIII

Thirteenth Sitting

The Committee met on Friday, 3 July, 1992 from 17.15 to 18.15 hours.

PRESENT

Shri K.P. Singh Deo *Chairman*

MEMBERS

Lok Sabha

2. **Shri Chitta Basu**
3. **Shri Girdhari Lal Bhargava**
4. **Prof. Malini Bhattacharya**
5. **Shri Dau Dayal Joshi**
6. **Shri Shankarrao D. Kale**
7. **Shri Tarachand Khandelwal**
8. **Dr. Debi Prosad Pal**
9. **Shri Hari Kewal Prasad**
10. **Shri Hari Kishore Singh**
11. **Shri P.C. Thomas**

Rajya Sabha

12. **Shri N.E. Balaram**
13. **Shri Radhakishan Malviya**
14. **Shri Ghulam Rasool Matto**
15. **Shri S.K.T. Ramachandran**
16. **Shri Digvijay Singh**
17. **Shri K.N. Singh**
18. **Shri S. Viduthalai Virumbi**

SECRETARIAT

- | | |
|--------------------------------|-----------------------------|
| 1. Shri S.C. Gupta | — 2. <i>Joint Secretary</i> |
| 2. Shri R.K. Chatterjee | — <i>Deputy Secretary</i> |
| 3. Shri Ram Kumar | — <i>Assistant Director</i> |

REPRESENTATIVES OF MINISTRY OF URBAN DEVELOPMENT

Shri K. Dharmarajan, Joint Secretary

Dr (Mrs.) Kiran Chadha, Deputy Secretary

REPRESENTATIVES OF MINISTRY OF LAW, JUSTICE AND COMPANY AFFAIRS (LEGISLATIVE DEPARTMENT)

Shri B.S. Saluja, Joint Secretary and Legislative Counsel.

2. At the outset, the Committee placed on record their felicitations to Kumari Selja on her assumption of the office of Deputy Minister of Education and Culture.

3. The Committee then considered the Bill, as amended, and adopted it with the following modifications:

In Article 243P—

(i) after clause (a), *insert* new clause (b): '(b) "District" means a revenue district in a State.' *and* re-letter the other clauses as clauses (c) to (g).

(ii) in re-lettered clause (c), *for* "twenty lakhs" *substitute* "ten lakhs".

4. The Committee thereafter considered and adopted the draft Report subject to the following modification—

In para 1.17—

Before the words “Metropolitan area” wherever these occur, insert the word “District”,

The Committee authorised the Legislative Counsel to carry out certain minor corrections of a drafting nature.

5. The Chairman drew the attention of the Members to the provisions contained in Direction 87 of the Directions by the Speaker regarding Minutes of Dissent and announced that the Minute of Dissent*, if any, might be sent to the Lok Sabha Secretariat by 16-00 hours on Monday, 6 July, 1992.

6. The Committee authorised the Chairman and, in his absence Shri Chitta Basu to present the Report and lay record of evidence on the Table of the House on Friday, 10 July, 1992.

The Committee also authorised Shri N.E. Balaram and in his absence, Shri K.N. Singh to lay the Report and the record of evidence on the Table of Rajya Sabha on Friday, 10 July, 1992.

7. The Committee decided that two sets of memoranda containing comments/suggestions on the provisions of the Bill, received by the Committee might be placed in the Parliament Library, after the Report had been presented, for reference by the Members of Parliament.

8. The Committee placed on record their appreciation of the co-operation and assistance rendered by the officers of the Ministry of Urban Development and the Joint Secretary and Legislative Counsel (Shri B.S. Saluja) of the Ministry of Law, Justice and Company Affairs (Legislative Department).

The Committee also placed on record their appreciation and thanks to the officers and staff of the Lok Sabha Secretariat for their hard work and valuable assistance rendered by them to facilitate the work of the Committee in all matters and in preparing their draft Report promptly.

9. The Chairman thanked the Members of the Committee for extending their fullest co-operation and keen participation in the proceedings of the Committee at all times and maintain most congenial atmosphere for the deliberations of the Committee.

10. The Members of the Committee also placed on record their high appreciation and thanks to the Chairman (Shri K.P. Singh Deo) for very ably conducting the proceedings of the Committee and guiding their deliberations at various stages of the Bill.

The Committee then adjourned.

*Shri S. Viduthala Virumbi, MP expressed his intention to send a Minute of dissent.