

PUNJAB FINANCE COMMISSION FOR PANCHAYATS AND MUNICIPALITIES ACT, 1994

PUNJAB GOVT GAZ., (IVXTRA., APRIL 19, 1994 (CHTR. 29, 1915 SAKA, 25 DEPARTMENT OF LEGAL AND LEGISLATIVE AFFAIRS PUNJAB Notification The 19th April, 1994 No 8-Leg. 94. r he following Act of the Legislature of the State of Punjab receive/ the assent of the Governor Punjab on the 19th April, 1994, and is hereby published for general information THE PUNJAB FINANCE COMMISSION FOR PANCHAYATS AND MUNICIPALITIES ACT, 1994 (Punjab Act No. 8 of 1994) AN ACT to provide for the constitution of the State Finance Commission to review the financial position of the Panchayats and Municipalities in the State and to make recommendations in terms of the provisions of Article 243-1 and Article 243-Y of the Constitution of India. BE it enacted by the Legislature of the State of Punjab in the Forty- fifth Year of the Republic of India as follows .— 1. (1) This Act may be called the Punjab Finance Commission for Panchayats and Municipalities Act, 1994. (2) It shall come into force at once. (a) (b) (c) (d) this Act, unless the context otherwise requires,— the Punjab Finance ' Commission' means Commission for Panchayats and Municipalities constituted under section 3 of this Act "Governor" means Governor of the State of Punjab "Member" means a member of the Finance Commission and includes its Chairman , the expressions "Municipality" and "Panchayat" shall have the same meaning as assigned to them under article 243 of the Constitution of India "Prescribed" means prescribed by rules made under this Act "State Government" means State Government of the State of Punjab. Short title and commencement, Definitions. constitution of Finance Commission. 3. (1) 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, the Governor of Punjab shall by Notification, constitute a Finance Commission to be called the Punjab Finance Commission for Panchayats and Municipalities for reviewing the financial position of Panchayats and Municipalities and for making recommendations in terms of the provisions of Article 243-1 and Article 243-Y of the Constitution of India. 26 PUNJAB GOVT (EXIRA), APRIL 19, 1994 (CI [TR. 29, 1916 SAKA) Qualifications for appointment as Chairman and Members of Finance Commission. Persons having financial or other interests not to be appointed as Members Of Finance Commission. Disqualifications for being member of Finance Commission. (2) The Finance Commission constituted under sub-section (1) shall consist of a Chairman and four other Members to be appointed by the Governor of Punjab. (3) The Finance Commission shall have its headquarters at Chandigarh or at such other place as may be notified by the State Government from time to time

4. The person to be appointed as Chairman of the Finance Commission shall have an experience in public affairs and the persons to be appointed as Members thereof shall—(a) have special knowledge and experience in economic and financial matters relating to Panchayats ; or (b) have special knowledge and experience in economic and financial matters relating to Municipalities ; or (c) have wide experience in financial matters and in administration ; or (d) have special knowledge of economics. 5. (1) Before appointing a person as a Chairman or Member of the Finance Commission, the Governor shall satisfy himself that the person to be so appointed is not a person of any other interest as is likely to affect prejudicially his functions as a Member of the Finance Commission. (2) After the appointment of Chairman and Members of the Finance Commission, the Governor shall also satisfy himself from time to time with respect to the Chairman and Members of the Finance Commission that they may have no financial or any other interest as is likely to affect prejudicially their functions as Chairman or Members of the Finance Commission and for that purpose the Governor may require the Chairman and the Members to furnish to him such information as he considers necessary With a view to satisfy himself as to whether the Chairman or the Members have any such interests

6. A person shall be disqualified for being appointed as, or for being a Member, of the Finance Commission, (a) if he is of unsound mind , (b) if he is an undischarged insolvent (c) if he has been convicted of an offence involving moral turpitude ; or (d) if he has such financial or any other interest as is likely to affect prejudicially his functions as a Member of the Finance Commission.PUNJAB GOVT GAZ., (EXTRA.), APRIL 19, 1994 (CHTR. 29, 1916 SAKA) 27 7. Every member of the Finance Commission shall hold office for such period as may be specified in the order or the

Governor appoint- ing him as such but shall be eligible for reappointment : Provided that he may, by a letter addressed to the Governor, resign his office, at any time prior to the period specified in his appointment letter

8. Time Chairman and Members of the Finance Commission shall render whole time or part time service to the Finance Commission as the Governor may in each case specify and there shall be paid to the Chairman and Members of the Finance Commission such fees or salaries and such allowances as the State Government may, prescribe from time to time

9. The Finance Commission shall review the financial position of the Panchayats and Municipalities and make recommendations to the Governor—(A) in the case of Panchayats as to— (a) the principles which shall govern— Term of office of Members. Conditions of and service salaries and allowances of Members. Functions of the Finance Commission. (i) the distribution between the State and the Panchayats of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which may be divided between them and the allocation between the Panchayats 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 Panchayats ; and (iii) the grants-in-aid to the Panchayats from the Consolidated Fund of the State (b) the measures needed to improve the financial position of the Panchayats ; and (c) any other matter referred to the Finance Commission by the Governor in the interests of sound finance of the Panchayats (B) in respect of Municipalities as to (a) the principles which shall 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 Act and the allocation between the Municipalities at all levels of their respective shares of such proceeds by insertion of the procedure in the (the powers of a civil syllable trying a suit in annually IIIIC attendance or witnesses, . and any Courtment 01 any court or of C;ce. public The Governor shall exercise every recommendation made by the Settlement Commission explanatory thereon— (his' / laid before the Legislature of India (0 he taken (hereon to be the Statute by notification) make rules 12. (1) calling out (he (t) s Act (2) livery rule made this section shall be read as soon as under be, after it is made. before the House of the State Legislature, while it is session on Court total period of ten days, which may be comprised in one session or in two or more sessions, and before the expiry of the session in which it is so laid or in successive sessions at which the House agrees taking any the view of the House the rule should not be made, (the rule shall thereafter have only such limited effect as may be, (that any such Bill (on unenacted shall be without anything vitiously done omitted to be the validity of provisions) made to done under rule, SINGH, Additional Secretary to Government of India, Department of Legal and Legislative Affairs. U. 'I', Chd.