



ABSTRACT

Municipalities – Classification of Municipalities – Norms Prescribed – Orders – Issued.

Municipal Administration & Water Supply (Election) Department

G.O.(Ms) No.237

Dated:02.12.2008.

Read:

1. G.O.(Ms) No.311, Municipal Administration & Water Supply Department, dated 26.12.1997.
2. G.O.(Ms) No.85, Municipal Administration & Water Supply Department, dated 22.05.1998.
3. From the Commissioner of Municipal Administration Letter No.52932/2001/M3, dated 09.03.2003.

ORDER:-

For classification of Municipalities, in the Government Order first read above, orders have been issued prescribing the following norms:-

Sl.No.	Grade	Minimum Annual Income (Rs. in lakhs)
1.	Special	500
2.	Selection	200
3.	First	100
4.	Second	50

2. In the Government Order Second read above, the Government have clarified that the minimum annual income shall be the average annual income of the preceding three years. It has also been clarified that for calculation of the annual income, borrowings, time-barred deposits, non-statutory and developmental grants should not be taken into account.

3. As per sub-section (6) of section 4 of the Tamil Nadu District Municipalities Act, 1920 (Tamil Nadu Act V of 1920) the State Government may, by notification, classify municipalities into Special Grade, Selection Grade, First Grade and Second Grade, for the purpose of effective administration of the said municipalities, in accordance with such norms as may be prescribed.

4. With increased devolution of financial grants, more powers and functions to Urban Local Bodies, enhanced powers to various authorities, officials of Urban Local Bodies, to facilitate speedy planning and execution of development schemes, it is considered that revision of norms for classification of municipalities and consequent up-gradation of municipalities has become essential.

APPENDIX.
NOTIFICATION.

In exercise of the powers conferred by sub-section (6) of section 4 read with section 303 of the Tamil Nadu District Municipalities Act, 1920 (Tamil Nadu Act V of 1920), the Governor of Tamil Nadu hereby makes the following rules:-

RULES.

1. Short title, application and commencement.— (1) These rules may be called the Tamil Nadu Municipalities (Norms for Classification of Municipalities) Rules, 2008.

(2) They shall apply to all the municipalities in the State.

(3) They shall come into force at once.

2. Definition.— In these rules, unless the context otherwise requires:-

“Average Annual Income” means the average annual income of a municipality other than borrowings, time-barred deposits, non-statutory and developmental grants of three preceding financial years.

3. Norms for classification of a Municipality.— The municipalities shall be classified on the basis of average annual income as indicated in the Table below:-

THE TABLE

<u>Sl.No.</u> <u>(1)</u>	<u>Grade</u> <u>(2)</u>	<u>Average Annual Income</u> <u>(3)</u>
1)	Special Grade municipality	Exceeding rupees ten crores
2)	Selection Grade municipality	Exceeding rupees six crores and not exceeding rupees ten crores
3)	First Grade municipality	Exceeding rupees four crores and not exceeding rupees six crores
4)	Second Grade municipality	Not exceeding rupees four crores.

Provided that the grade of any municipality on the date of coming into force of these rules shall not be downgraded.

Provided further that the classification of municipalities shall be reviewed and reclassified in every three years based on the norms prescribed in rule 3 above.

NIRANJAN MARDI
SECRETARY TO GOVERNMENT

//True Copy//

S. Narayani
2/12/2008.
Section Officer.