



GOVERNMENT OF TAMIL NADU

ABSTRACT

Funds – Financial devolution from the State Government to local bodies based on State Finance Commission recommendations – Release of funds for the year 1997-98 – Orders – Issued.

Municipal Administration and Water Supply (Election) Department

G.O.Ms.No.110

Dated 3.5.1997

1. From the Director of Local Fund Audit, Letter Rc.No. 9037/PD/1/97, Dated 3.4.1997.
2. G.O.Ms.No. 225 Fin. (Resources) Department, Dated 2.5.1997
3. G.O.Ms.No. 109, M.A.&W.S. Department Dt.3.5.1997.

ORDER:

In the G.O. second read above, based on the recommendations of the State Finance Commission relating to resources allocation to local bodies from State Government, orders have been issued among others, that 8% of the total revenue from the State Taxes excluding entertainment tax shall be transferred to the local bodies from the year 1997-98. The details of allocation of the amounts to the various categories of rural and urban local bodies have also been specified therein.

2. In the G.O. second read above, the basis for the distribution of the amount among the Corporations, Municipalities and Town Panchayats and the guidelines for the utilisation of the amount have been issued.

3. Based on the orders issued in the G.O. second read above, the Government order the sanction to release of funds to the urban local bodies as follows:-

Municipal Corporation	Rs. 78,49,66,500/-
Municipalities	Rs. 78,49,66,500/-
Town Panchayats	Rs. 96,22,17,000/-

The Government also direct that the amount shall be released on four quarterly installment basis.

4. The Director of Local Fund Audit in the reference first read above has sent proposals to Government to authorise the Director of Municipal Administration and Director of Town Panchayats to deduct and pay to him in quarterly lumpsum, the amount necessary for pension disbursement to Municipal and town Panchayat employees. At present the Municipalities and Town Panchayats are to pay every month 20% of the maximum scale plus 13% of Dearness Pay in respect of every employee towards pension contribution. This amount, while being inadequate, also is not paid regularly by local bodies and the Government have had to make adhoc arrangements every now and then to take care of pension disbursements. In order to ensure timely pension disbursements and in order to reduce unnecessary administrative work by the Director of Local Fund Audit Watching the receipt of contribution

from local bodies, the Government accept the proposals of the Director of Local Fund Audit sent in his reference first read above.

5. The expenditure indicated in para 3 above shall be debited to the following head of Accounts:

“ 3604 Compensation and Assignments to Local Bodies and Panchayat Raj Institutions 200. other Miscellaneous Compensation and Assignments I-Non-Plan BA. Lumpsum provision for assignment to be made to Urban Local Bodies as per the recommendation of SFC. 90. Grants-in-aid.” (DPC No. 3604 00 200 BA 090).

6. The Director of Municipal Administration is authorised to draw the amount in quarterly basis in respect of Municipal Corporations and distribute the amount to the Corporations as indicated below:-

	Annually	Quarterly
Population factor basis :	Rs.53,37,77,220	Rs. 13,34,44,305
Scheduled Caste / Scheduled Tribe		
Population Basis :	Rs. 13,34,44,305	Rs. 3,33,61,076
Per Capita receipt factor basis :	Rs. 11,77,44,975	Rs. 2,94,36,244
Total :	Rs. 78,49,66,500	Rs. 19,62,41,625

The Director of Municipal Administration is requested to work out the amount eligible to each Corporation and pass the amount to the Corporations;

7. The Director of Municipal Administration is also authorised to draw the amount in quarterly basis in respect of Municipalities and to remit the quarterly demand of the total demand of Rs. 8.76 crores raised by the Director of Local Fund Audit for the year 1997-98 towards Municipal Employees Pension Fund. the balance as detailed below shall be distributed to the Municipalities:

	Annually	Quarterly
Total Amount due to Municipalities	Rs. 78,49,66,500	Rs. 19,62,41,625
(Deduct)Payment to Municipal		
Employees Pension Fund	Rs. 8,76,00,000	Rs. 2,19,00,000
Balance	Rs. 69,73,66,500	Rs. 47,43,41,625
Population factor basis	Rs. 48,50,18,401	Rs. 12,12,54,600
Schedule Castes/Scheduled	Rs. 10,77,43,124	Rs. 2,69,35,781
Tribes population basis		
Per Capita receipt factor basis	Rs. 10,46,04,975	Rs. 2,61,51,244
Total	Rs. 69,73,66,500	Rs. 17,43,41,625

8. The Director of Town Panchayats is authorised to draw the amount in quarterly basis in respect of Town Panchayats and to remit the quarterly demand of the total demand of Rs. 13.10 crores raised by the Director of Local Fund Audit for the year 1997-98 towards Town Panchayats Employees Pension Fund. The balance as detailed below shall be distributed to the town panchayats.

	Annually	Quarterly
Total Amount due to Municipalities	Rs. 96,22,17,000	Rs. 24,05,54,250
(Deduct)Payment to Municipal		
Employees Pension Fund	Rs. 13,10,00,000	Rs. 3,27,50,000
Balance	Rs. 83,12,17,000	Rs. 20,78,04,250
Population factor basis	Rs. 48,91,71,205	Rs. 12,22,92,801
Schedule Castes/Scheduled	Rs. 21,73,63,245	Rs. 5,43,40,811
Tribes population basis		
Per Capita receipt factor basis	Rs. 12,46,82,550	Rs. 3,11,70,638

Total

Rs. 83,12,17,000

Rs. 20,78,04,250

9. Before releasing the amount to the individual Corporations /Municipalities/ Town Panchayats, the Director of Municipal Administration and the Director of Town Panchayats are requested to ascertain whether any amount is due to the Tamil Nadu Electricity Board from the local bodies concerned and if there is any due pending, such amount shall be paid to the Tamil Nadu Electricity Board by the Director of Municipal Administration and the Director of Town Panchayats from the amount due to the said local bodies and the balance amount shall be released to it.

10. The Director of Municipal Administration and the Director of Town Panchayats, will issue suitable instructions to the Municipalities and Town Panchayats, that in view of the order issued, in para 4,7 & 8 above, they need not remit Pensionary contribution to the Director of Local Fund Audit starting from April, 1997.

11. This order issues with the concurrent of the finance Department vide its. U.O. No. 1877/FS/P/97, Dated 29.4.1997.

(By order of the Governor)

S. MALATHI
Secretary to Government.

To

The Director of Municipal Administration, Chennai-5
The Director of Town Panchayats, Chennai – 108.
The Commissioners of all Municipal Corporations thro' the Mayor.
All Regional Directors of Municipal Administrations.
All Assistant Directors of Town Panchayats.
The Commissioners of all Municipalities thro' the Chairman.
The Executive Officers of Town Panchayats.

Copy to:

All Sections in MA & WS Department,
The Accountant General, Chennai – 18.
The Accountant General, Chennai – 35.
The Director of Local Fund Audit, Chennai – 108.
The Director of Treasuries and Accounts, Chennai – 15.
The Pay and Accounts Officer (North) Chennai – 79.
The Rural Development Department, Chennai – 9.
The Finance (MA & WS) Department, Chennai – 9.
The Finance (Res) Department, Chennai – 9.
The PA to JS (SKS) Finance Department, Chennai – 9.
The PA to DS (B) Finance Department, Chennai – 9.

/Forwarded / By Order /

Sd/-
Section Officer.