

GOVERNMENT OF ASSAM

EXPLANATORY MEMORANDUM ON THE ACTION TAKEN ON THE RECOMMENDATIONS OF THE SIXTH ASSAM STATE FINANCE COMMISSION (2020-25)

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GOVERNMENT OF ASSAM
FINANCE (ECONOMIC AFFAIRS) DEPARTMENT
SFC CELL, BLOCK-F, DISPUR

**EXPLANATORY MEMORANDUM ON THE ACTION TAKEN ON THE
RECOMMENDATIONS MADE IN THE FINAL REPORT OF THE SIX ASSAM
STATE FINANCE COMMISSION SUBMITTED TO THE GOVERNMENT OF
ASSAM ON 22.04.2020.**

The Final Report of the Sixth Assam State Finance Commission (6th ASFC) covering the period of five years from 1st April 2020 to 31st March 2025. But by the time this report has already been approved by the Hon'ble Cabinet vide its meeting on 10.02.2021 of the interim devolution for an amount of **Rs.897.89 crore** i.e 50% for the year 2020-21 and also circulated ATR dated on **30.06.2021 (Annexure-I)**. Further the Hon'ble Cabinet again approved in its meeting on **15.03.2022** for the remaining period for an amount of **Rs.8297.024 crore** for Revenue Gap grant, Direct grant, Specific grant, Additional grant, Incentive grant, others recommendation etc. (i.e. average 7.8% of the net proceeds of State taxes against 14% recommended by 5th ASFC) for transferring grants to the Local Bodies during **2021-22 to 2024-25**. The Hon'ble Cabinet has also approved the other non-financial recommendations of the Report of 6th ASFC. As such, this report will be valid for a period of 5 years w.e.f. 1st April 2020 to 31st March 2025 together with Explanatory Memorandum on the action taken on the recommendations of the Commission laid on the Table of the House in pursuance of Article 243-I (4) and Article 243-Y (2) of the Constitution of India. The summary of the recommendations of the Commission relating to devolution of State Taxes, grants-in-aid to the Local Bodies and other matter is contained in **para 13.1 to 13.165** of the report of the Commission.

However, as per the Hon'ble Cabinet decision on 15-03-2022, since the recommendations of the Commission have been made based on the projected estimates, the actual release to the Local Bodies be effected on the basis of actual trend of revenue collection in due course during 2021-2022 to 2024-2025 as per the methodology given below:-

Year	Actual Tentative Gross Proceeds	Collection Cost (10%)	Net Proceeds	DP	DP as % of State Tax
A	B	C (10% of B)	D (= B-C)	E (= D x F%)	F
2020-21	B1	C1 = B1 * 10%	D1 = B1 - C1	E1 = D1 * 8.5%	8.5
2021-22	B2	C2 = B2 * 10%	D2 = B2 - C2	E2 = D2 * 8.5%	8.5
2022-23	B3	C3 = B3 * 10%	D3 = B3 - C3	E3 = D3 * 8%	8
2023-24	B4	C4 = B4 * 10%	D4 = B4 - C4	E4 = D4 * 7.5%	7.5
2024-25	B5	C5 = B5 * 10%	D5 = B5 - C5	E5 = D5 * 7%	7
2020-25			D1+D2+D3 +D4+D5	E1+E2+E3+E4 +E5	7.8

(N.B. – B1, B2, B3, B4, B5 indicate year- wise actual Tentative Gross proceeds)

The decisions taken by the Government on the recommendations of the final Report of the Sixth Assam State Finance Commission (6th ASFC) are given below:-

Sl. No	Recommendation No.	Para No.	Gist of the Recommendations	Decision taken by the Cabinet
1	13.1	1.6	With a view to improving the condition of the Panchayats and Municipalities, there is an urgent need for devolution of the '3F's i.e. Funds, Functions and Functionaries in letter and spirit to make them robust institutions of Self Government (Para 1.6)	Accepted. Action by: P&RD / H&UA / Finance (EA) Deptt. / LSGI
2	13.2	1.17	It is recommended that State Government shall take effective steps to arrange accommodation, staff and other wherewithal before constitution of SFC, so that the Commission can start functioning immediately after constitution. (Para 1.17)	Accepted. Action by: Finance (EA) Deptt.
3	13.3	2.3	In the matter of allocation of core civic services to the Local Bodies, the adaptation of the Principle of Subsidiarity has been recommended. (Para 2.3)	Accepted.
4	13.4	2.7	It is recommended that as a general principle the minimum population of a GP should conform to the prescribed norm of 6000 population. (Para 2.7)	Accepted. Action by: P&RD Deptt.
5	13.5	2.9	Local Bodies need to appreciate that devolution of funds by the SFC is to supplement their resources and not to supplant it. As such, determined and sustained effort is needed by the Local Bodies to augment their own revenue from sources allocated to them. (Para 2.9)	Accepted. Action by: P&RD / H&UA Deptt./ GMC
6	13.6	2.10	The Commission has laid special emphasis on the needs of ZPs and APs since they were deprived of Central Govt. funds under the award of 14 th Finance Commission. (Para 2.10)	Accepted. Action by: P&RD / Finance (EA) Deptt.
7	13.7	2.12	The aim and approach of the Commission is to maintain a healthy financial equilibrium between the fiscal capacity of the State Government and the genuine needs of the Local Governments. (Para 2.12)	Accepted. Action by: P&RD / H&UA / Finance (EA) Deptt.
8	13.8	2.14	The vertical dimension of resource transfer from the State Government to the Local Governments is sought to be addressed by creating a Divisible Pool (DP) out of the net proceeds of State taxes and duties. (Para 2.14)	Accepted.

9	13.9	2.15	The horizontal disparity among the PRIs and ULBs is sought to be addressed by adopting an inter-se distribution mechanism based on certain objective criteria. (Para 2.15)	Accepted.
10	13.10	2.16	Assignment of taxes and duties levied and collected by the State Government to the Local Government has not been recommended by the Commission. (Para 2.16)	Accepted.
11	13.11	2.17	Bifurcation of the Divisible Pool between the General and Sixth Schedule Areas has been done on the basis of principles adopted by Government of Assam in the matter of allocation of Plan Outlay between General and Sixth Schedule Areas. (Para 2.17)	Accepted.
12	13.12	2.18	Rural - Urban bifurcation of the DP of General Areas has been done on the basis of weighted average of population and density. (Para 2.18)	Accepted.
13	13.13	2.19	The rural part of the DP of General Areas has been allocated among the 26 districts on the basis of weighted average of three factors. (Para 2.19)	Accepted.
14	13.14	2.20	The district-wise allocation has been apportioned among the three tiers of the PRIs at the ratio 30:30:40 respectively for ZP, AP and GP. (Para 2.20)	Accepted.
15	13.15	2.21	The share of each AP and GP has been determined on the basis of their respective population as per 2011 census. (Para 2.21)	Accepted.
16	13.16	2.22	The urban part of the DP of General Areas has been allocated among the Municipal Boards and GMC on the basis of the weighted average of four variables. (Para 2.22)	Accepted.
17	13.17	2.23	The DP for the Sixth Schedule Areas has been apportioned between rural and urban sector on the basis of population and area	Accepted.
18	13.18	2.24	The rural part of the DP of Sixth Schedule Areas has been allocated among the Autonomous Councils (ACs) at the rate of 62.64% for BTC, 26.16% for KAAC and 11.20% for DHAC. After retaining 20% for the Autonomous Councils, the share of each village council within each Autonomous Council will be determined on the basis of their respective population as per 2011 census. (Para 2.24)	Accepted.

19	13.19	2.25	The urban part of the DP of Sixth Schedule Areas has been allocated among the Autonomous Councils on the above basis and the share of each MB on the basis and criteria adopted for the General Areas. (Para 2.25)	Accepted.
20	13.20	3.2	It is imperative to make the Report of SFC available to the Central Finance Commission before finalization of their Report so that assessment of State's need could be made by them on the basis of the findings of SFC. (Para 3.2)	Accepted. Action by: Finance (EA) Deptt.
21	13.21	3.23	For implementation of the SFC Report and effective functioning of the local bodies it is imperative to strengthen the nodal Directorates of Municipal Administration and Panchayats and Rural Development as well as the Directorate of Audit Local Funds (DALF). More importantly, the SFC Cell under Finance Department needs to be strengthened. (Para 3.23)	Accepted. Action by: P&RD / H&UA / Finance (Estt.-B) / Finance (A&F) / Finance (EA) Deptt./ DALF
22	13.22	3.24	The convention established at the national level of accepting the principal recommendations of the Central Finance Commission without modification should be followed in the State level in case of SFC Report. (Para 3.24)	Accepted.
23	13.23	3.25	The Report of SFC should be readily available to the Central Finance Commission when it is constituted. (Para 3.25)	Accepted.
24	13.24	4.16	Despite a robust hike in States' share of Central DP from 32% to 42%, it did not bring any relief to the State of Assam because its share in the Central DP came down from 3.628% to 3.311%. (Para 4.16)	Accepted.
25	13.25	4.17	The actual release of its share of Central taxes by Government of India has been far below the amount recommended by the 14 th FC. This has aggravated the fiscal problem of the State. (Para 4.17)	Accepted. Action by: Finance (EA) Deptt.
26	13.26	4.19	The discontinuance of Sector specific and State specific grant by 14 th FC has severely affected State finances. (Para 4.19)	Accepted.
27	13.27	4.20 & 4.21	The recommendations of 14 th FC has put additional financial burden on State Finances. (Para 4.20 and 4.21)	Accepted.
28	13.28	4.22	Dismantling the Planning Commission and discontinuance of Block Grant have affected State Finances. (Para 4.22)	Accepted.

29	13.29	4.23	The State witnessed significant drop in tax collection since implementation of GST. As such, it is imperative that the scheme of GST compensation should be extended beyond the stipulated period of 5 years. (Para 4.23)	Accepted. Action by: Finance (EA) /Finance (Taxation) Deptt.
30	13.30	4.24	The need to provide regular financial support to the three Autonomous Councils in the Sixth Schedule, 6 Statutory Autonomous Councils in General Areas and 31 Ad-hoc Development Councils in the General Areas have strained the financial position of the State. (Para 4.24)	Accepted. Action by: Finance (EA) Deptt./WB /Hill Areas Deptt./Councils.
31	13.31	4.51	Based on the assessment of the Commission, the pre-devolution BCR of the State of Assam has been estimated at Rs.15353.68 crore during the five year period 2020-25. (Para 4.51)	Accepted.
32	13.32	4.53	In order to mitigate the fiscal imbalance of the State, the Central Finance Commission and Government of India may take effective steps to augment the Consolidated Fund of the State to supplement the resources of Panchayats and Municipalities. (Para 4.53)	Accepted.
33	13.33	5.81	State Government should take urgent steps within a set time frame for transfer of the '3F's i.e. Funds, Functionaries and Functions to enable local bodies in Assam to function as vibrant instruments of the third tier of Government as envisaged under Article 243(G) of the Constitution. (Para 5.81)	Accepted. Action by: P&RD / H&UA / Finance (EA) Deptt.
34	13.34	5.82	The office of the Director of Audit Local Funds is to be strengthened immediately with :- (a) Adequate manpower by filling all vacant posts in the DALF on priority basis. (b) Regular training and capacity building of the auditors of DALF with access to modern technology. (c) Proper infrastructure support including building for Circle Offices and Camp Offices is to be provided. (d) Automation of the audit process in DALF. (Para 5.82)	Accepted. Action by: Finance (Estt.-B) / Finance (A&F) / Finance (EA) Deptt. / DALF

35	13.35	5.83	PRIs and ULBs to maintain prescribed Cash Book, Govt. Grant Register, Demand and Collection Register, Stock Register for material, Asset register and CPF Registers, Master Rolls and other important Registers and Records. (Para 5.83)	Accepted. Action by: P&RD / H&UA Deptt.
36	13.36	5.84	The Government in the P&RD department must take steps to enforce submission of Annual Administrative Reports by the ZPs. (Para 5.84)	Accepted. Action by: P&RD Deptt.
37	13.37	5.85	Commission recommends that the Government in the P&RD Department and UDD must make provision for internal audit of PRIs & ULBs. (Para 5.85)	Accepted. Action by: P&RD / H&UA Deptt.
38	13.38	5.86	All Local Bodies should maintain accounts on accrual basis instead of cash basis. (Para 5.86)	Accepted. Action by: P&RD / H&UA / Finance (EA) Deptt.
39	13.39	5.87	It is recommended that AG should audit all ULBs besides all ZPs and APs. The Central Government should be requested to enhance the Staff strength of auditors to cover 100 per cent audit of ULBs, ZPs and APs. Moreover, setting up of Regional branch offices of AG may be considered to facilitate higher coverage of audit by the auditors of AG. (Para 5.87)	Accepted. Action by: P&RD / H&UA / Finance (EA) Deptt.
40	13.40	5.88	Govt. to ensure that all PRIs and ULBs prepare annual budget timely in prescribed format and take approval of the concerned authorities. (Para 5.88)	Accepted. Action by: P&RD / H&UA Deptt.
41	13.41	5.89	Government to take appropriate measures against the Local Bodies failing to submit Annual Budgets. (Para 5.89)	Accepted. Action by: P&RD / H&UA Deptt.
42	13.42	5.90	Commission recommends that regular basic training courses must be imparted to the accounts personnel and elected representatives holding the executive positions of different committees. (Para 5.90)	Accepted. Action by: P&RD / H&UA Deptt.
43	13.43	5.91	Government to take up effective steps to improve the maintenance of records of Local Bodies through application of e-governance. (Para 5.91)	Accepted. Action by: P&RD / H&UA / Finance (EA) Deptt.
44	13.44	5.92	Government to take necessary steps for providing adequate manpower for both ULBs and PRIs as per recommendations of earlier Commissions. (Para 5.92)	Accepted. Action by: P&RD / H&UA / Finance (EA) Deptt.

45	13.45	5.93	The Commission recommends an amount of Rs.269.60 crore for construction of buildings for ZPs and APs and selected buildings of GPs. The earlier Commissions recommended funds for construction of buildings for some PRIs. Funds need not be allotted to these PRIs again. (Para 5.93)	Accepted.
46	13.46	5.94	The Commission further recommends an amount of Rs.148.20 crore for upgradation, repair and upkeep of buildings of ZPs, APs and GPs. (Para 5.94)	Accepted.
47	13.47	5.95	The Commission suggests that the GPs having no land or sufficient land for office buildings should immediately move the Sub Divisional Land Advisory Committee for allotment of Govt. land measuring 3-4 bighas. Zilla Parishads to monitor and assist in timely submission of proposals to respective SLACs (Para 5.95)	Accepted. Action by: P&RD / R&DM Deptt.
48	13.48	5.96	Commission recommends that fulltime Executive Officers should be positioned instead of entrusting part time Civil Officers of DC/SDO establishments. (Para 5.96)	Accepted. Action by: H&UA / WB /Hill Areas Deptt.
49	13.49	5.97	Commission recommends that Govt. should finalize the Service Rules of functionaries of the ULBs without further delay. (Para 5.97)	Accepted. Action by: H&UA/ WB / Hill Areas Deptt.
50	13.50	5.98	The Town and Country Planning Department as well as District Development Authority should work closely with the local bodies. (Para 5.98)	Accepted. Action by: H&UA Deptt. / T&CP
51	13.51	5.99	A dynamic Statewide MIS covering all Local Bodies should be put in place so that all important information is available centrally at the P&RD, UDD, GDD and Finance Department. (Para 5.99)	Accepted. Action by: P&RD / H&UA / WB / Hill Areas/ Finance (EA) Deptt.
52	13.52	5.100.a	To minimize the errors regarding all land records in Town Planning, the concerned departments should work together under the umbrella of a modified Act. (Para 5.100.a)	Accepted. Action by: H&UA Deptt./ T&CP

53	13.53	5.100.b	Town & Country Planning Act, 1959 requires amendments consequent upon the 74 th Amendment of the Constitution. A High Level Committee chaired by the Principal Secretary, Urban Development Department and assisted by members from Revenue Department and Director, T&CP etc. may be constituted to review the Act and suggest necessary changes so as to strengthen Town Planning and implement development activities. (Para 5.100.b)	Accepted. Action by: H&UA/ Revenue & DM Deptt./ T&CP
54	13.54	5.100.c	There is a necessity of amendment in the existing Town & Country Planning Act, 1959 for a revised model of Town Planning in Assam with the provision of Local Area Plan, Town Planning Scheme and Land Pooling Mechanism. A Land Pooling Policy for the State of Assam shall be framed to operate this mechanism by the Government. (Para 5.100.c)	Accepted. Action by: H&UA / R&DM Deptt./ T&CP
55	13.55	6.70	Vide order dated 31/03/2012, the Govt. of Assam in the Urban Development Department directed all ULBs to achieve benchmark Service Standards of core services by 31/03/2013. No review was done or follow up orders issued for the period after 31/03/2013. As a result, the instructions remained largely, a paper exercise. The process of benchmarking of service standards require to be continued on a calibrated and sustained basis. Independent third party assessment of the standards of service delivery should be put in place. An internalized system of evaluation of performance is also recommended. (Para 6.70)	Accepted. Action by: H&UA Deptt.
56	13.56	6.71	Close coordination between the PHE Department and respective PRIs is necessary at the time of installing spot sources for drinking water as both the agencies have been installing spot sources for drinking water. Coordination is important to avoid overlapping of jurisdiction. A register should be maintained by PHE detailing all the spot sources installed by different agencies GP wise. (Para 6.71)	Accepted. Action by: P&RD / PHE Deptt./ LSGI

57	13.57	6.72	The Commission recommends that PRIs make efforts to take over all the completed piped water supply schemes from the PHE Department within their jurisdiction. They are advised to form Users Committees against each piped water supply scheme and to collect water charges. Part of the share of proceeds can be handed over to PHE Department for maintenance. (Para 6.72)	Accepted. Action by: P&RD / PHE Deptt./ LSGI
58	13.58	6.73	The Commission recommends that since over extraction of ground water will have adverse consequences and lead to and depletion of ground water. The PHE Department may explore the possibility of undertaking projects covering clusters of villages with treated surface water. (Para 6.73)	Accepted. Action by: P&RD / PHE Deptt./ LSGI
59	13.59	6.74	An effective centralized authority to regulate the uncontrolled tapping of ground water needs to be constituted. (Para 6.74)	Accepted. Action by: P&RD / PHE Deptt./ LSGI
60	13.60	6.75	Toilet blocks may be taken up for community use in areas where residents do not possess sufficient land for construction of toilets. (Para 6.75)	Accepted. Action by: P&RD / PHE Deptt./ LSGI
61	13.61	6.76	It is imperative that elected representatives should be motivated to take up awareness programmes to make villages clean and pollution free in line with the National mandate of Swachch Bharat. The example of Ramchar village, the cleanest village in Assam, located in Goalpara district at a distance of 15 KMs from Goalpara town and Haldha village in Darrang district are good examples of initiative taken by the local people. (Para 6.76)	Accepted. Action by: P&RD / PHE Deptt./ LSGI
62	13.62	6.77	The Commission earlier recommended that all the markets presently managed by the Agricultural Marketing Board, Assam should be handed over to PRIs. This may be done in a phased manner. (Para 6.77)	Accepted. Action by: P&RD / Agriculture Deptt./ LSGI
63	13.63	6.78	Regular coordination between the GP representatives and Users committees of Primary Schools, Anganwadis, Health Centers etc. is recommended. (Para 6.78)	Accepted. Action by: P&RD / Education / Social Welfare / Health &FW Deptt./ LSGI

64	13.64	6.79	The PRIs must identify suitable land in their localities and approach the Sub-divisional Land Advisory Board for allotment of land for burial and cremation in each GP. The Commission recommends and urges that the Govt. in the Revenue and Disaster Management Department should issue necessary orders for allotment of land for burial/ cremation on priority basis. (Para 6.79)	Accepted. Action by: P&RD / R& DM Deptt./ LSGI
65	13.65	6.80	The Commission recommends that the civic bodies take steps to invite private parties for installing modern public toilets in suitable locations around bus stands, market places etc in public private partnership model based on pay and use model. (Para 6.80)	Accepted. Action by: H&UA Deptt./ ULBs
66	13.66	6.81	In view of the burgeoning crisis facing many ULBs regarding disposal of solid waste, the Commission urges the State Govt. to urgently allot Govt. land for dumping sites or to provide fund to purchase land for disposal of waste not only in ULBs but also at village or cluster level. The UD and P&RD Department may take up the same with the R&DM Deptt. for allotment and earmarking of appropriate sites for waste disposal. The UD Department may also explore the possibility of setting up integrated landfill sites common to more than one ULB as per feasibility. (Para 6.81)	Accepted. Action by: P&RD / R&DM / H&UA Deptt./ LSGI
67	13.67	6.82	The Commission recommends that in view of common complaints of overtopping of drains during monsoons all drains need to be constructed scientifically taking into account the end points and contours of the land. All drains should be pucca and covered as far as possible and regularly cleaned. (Para 6.82)	Accepted. Action by: P&RD / H&UA / PWD (Roads) Deptt./ LSGI
68	13.68	6.83	In case of incomplete projects due to assignment to multiple agencies, there is necessity of going for EPC mode (Engineering, Procurement and Construction). As far as possible execution of a project should be awarded to single agency to prevent delay in completion of works. (Para 6.83)	Accepted. Action by: P&RD H&UA / PWD (Roads) / PHE Deptt./ LSGI

69	13.69	7.12	The Commission recommends framing of Bye Laws by GP, AP and ZP as required under Rules 41, 42 and 43 respectively of the AP (Financial) Rules 2002, P&RD Dept may take initiative to initiate and assist PRIs. (Para 7.12)	Accepted. Action by: P&RD Deptt./ LSGI
70	13.70	7.16	Reluctance of elected representatives to impose and collect taxes is a major factor inhibiting the growth of internal revenue mobilization by the PRIs. The perception that levy of taxes may lead to negative reprisal from the vote bank is unfounded. (Para 7.16)	Accepted. Action by: P&RD Deptt./ LSGI
71	13.71	7.22	Keeping in view the global sharing of the net proceeds all taxes levied and collected by the State, assignment of taxes to Local Bodies is not considered by the Commission. (Para 7.22)	Accepted. Action by: P&RD Deptt./ LSGI
72	13.72	7.42	Wages of casual employees appointed after 01-09-2005 and not covered under the regularization scheme shall be met by the respective ZPs from the devolution fund. (Para 7.42)	Accepted. Action by: P&RD / Finance (EA) Deptt./ LSGI
73	13.73	7.52	One time grant of Rs.15.66 crore has been recommended to clear the arrear wages of casual employees. (Para 7.52)	Accepted. Action by: P&RD / Finance (EA) Deptt./ LSGI
74	13.74	7.53	It is the responsibility of the concerned Administrative department to ensure that the PRIs prepare annual budget and maintain accounts in the formats prescribed by the CAG. (Para 7.53)	Accepted. Action by: P&RD Deptt./ LSGI
75	13.75	7.55 to 7.67	The Commission recommends grant of Rs.2869.36 crore during 2020-25 consisting of Rs.1799.16 crore as direct grant to PRIs and Rs.1070.20 crore as grant routed through line departments as per year-wise and purpose-wise phasing shown at Table- 7.14. (Para 7.55 to 7.67)	Accepted. Action by: P&RD /PHE/ PW(R) /Finance (EA) Deptt./ LSGI
76	13.76	7.102	The Commission recommends grant of Rs.1112.54 crore during 2020-25 to Autonomous Councils of BTC, KAAC and DHAC as per details shown at Table- 7.23. (Para 7.102)	Accepted. Action by: WB / Hill Areas / Finance (EA) Deptt./ Councils
77	13.77	7.105 to 7.118	The Commission has recommended Additional Resource Mobilisation (ARM) for the PRIs. (Para 7.105 to 7.118)	Accepted. Action by: P&RD Deptt./ LSGI

78	13.78	8.16	To curb the mismatch between Revenue and Expenditure, efforts have to be made to augment revenue and at the same time ULBs need to look into expenditure management by applying new innovative methods and taking concerted administrative steps in order to reduce the dependency ratio. (Para 8.160)	Accepted. Action by: H&UA/ Finance (EA) Deptt./ ULBs
79	13.79	8.161	The Commission is of the view that there is an urgent need for rationalization of expenditure of ULBs in Assam. (Para 8.161)	Accepted. Action by: H&UA Deptt./ ULBs
80	13.80	8.162	The service delivery of ULBs in both General Areas and Sixth Schedule Areas is in a dismal state and requires improvement. (Para 8.162)	Accepted. Action by: H&UA / WB / Hill Areas Deptt./ Councils / ULBs
81	13.81	8.163	There is a sizeable amount of arrears in property tax collection. All ULBs including GMC have not been making adequate efforts to gear up collection of property tax which is the single largest source of revenue for ULBs. It is advised that the ULBs should make all out efforts to collect property tax and mop up all existing arrears. (Para 8.163)	Accepted. Action by: H&UA Deptt./ GMC / ULBs
82	13.82	8.164	The fiscal handicaps of Municipalities arise mainly from poor economic base and limited productivity of local taxes. The elected representatives as well as functionaries of ULBs have shown reluctance in realizing taxes. This coupled with the lack of control over expenditure and administrative deficiencies have resulted in the poor financial condition of the ULBs. The Commission therefore, recommends that the elected representatives and functionaries of ULBs work in tandem and make sincere efforts to address these handicaps. (Para 8.164)	Accepted. Action by: H&UA Deptt./ ULBs

83	13.83	8.165	<p>The factors mentioned above have led to vicious cycle. Because of poor quality of service delivery by the ULBs, residents are not willing to pay taxes. Due to poor financial condition of the ULBs, the ULBs are unable to provide satisfactory services. Imposition of taxes and user charges have to be invariably accompanied by discernible augmentation of the quality of services. The Commission is of the view that as long as ULBs are in the state of low level equilibrium between revenue and expenditure, the Central Govt. and the State Govt. will have to continue to devolve adequate funds to the Urban Local Bodies to overcome the vicious cycle.</p> <p>(Para 8.165)</p>	Accepted. Action by: H&UA Deptt./ ULBs
84	13.84	8.166	<p>Many of the ULBs have not effected revision of property valuation since decades. Some of them have not even updated or maintained the holding register. This has naturally attributed to low level of property tax collection. In this context, the Commission recommends that an independent valuation committee must be constituted along the lines of those in West Bengal and Tamil Nadu. The Municipal Act too should have enabling provisions and provide for periodic revision of taxes.</p> <p>(Para 8.166)</p>	Accepted. Action by: H&UA / WB/ Hill Areas Deptt./ ULBs/ Councils
85	13.85	8.167	<p>The Commission suggests that the tax collection machinery must be strengthened and reinforced with upto date technological support and trained manpower. The coverage of assesees must be widened and a vigilance machinery put in place to check tax evasion. If tax evasion is not checked the revision of tax rates will not only add extra burden on law abiding taxpayers but also act as a disincentive as defaulters enjoy the fruits of freedom from the tax net.</p> <p>(Para 8.167)</p>	Accepted. Action by: H&UA/ WB/ Hill Areas Deptt./ ULBs/ Councils
86	13.86	8.168	<p>The Assam Municipal Act, 1956 needs to introduce rules for Registration to include Private Schools, Tutorial Institutions, Coaching Centres, Private Hostels, Paying Guest Houses and such other Commercial set ups. (Para 8.168)</p>	Accepted. Action by: H&UA Deptt./ ULBs

87	13.87	8.169	Due to the increasing waste generation and burgeoning costs for servicing the same , a new sanitary tax may be levied on all Hotels, Restaurants, Private Hospitals, bus stand stalls, way side eateries , Nursing Homes, Recreation Centres, Eateries , Schools, Marriage Halls and Gardens and Shopping complexes, Exhibitions , Fairs, Construction sites etc. (Para 8.169)	Accepted. Action by: H&UA / WB / HAD Deptt./ ULBs
88	13.88	8.170	The ULBs must enroll the support of NGOs, Social Organizations, big Commercial and Industrial houses for creation of public utility services. (Para 8.170)	Accepted. Action by: H&UA Deptt./ ULBs
89	13.89	8.171	In order to reduce dependence on funds and grant-in-aid from external sources, the ULBs have to put in all efforts to augment their own resources and take appropriate measures for expenditure compression. (Para 8.171)	Accepted. Action by: H&UA Deptt./ ULBs
90	13.90	8.172	The Local Self Govt. Fiscal Responsibility Act, 2011 needs to be implemented in letter and spirit in order to bring about financial discipline and accountability of the ULBs. (Para 8.172)	Accepted. Action by: H&UA / P&RD / Finance (EA) Deptt./ ULBs/ LSGI
91	13.91	8.173	It is imperative that ULBs have an internal audit system in addition to a well-established monitoring and evaluation system. The ULBs need to adopt e-governance and train manpower to maximize their efforts towards ushering in good governance. (Para 8.173)	Accepted. Action by: H&UA / Finance (EA) Deptt./ ULBs
92	13.92	8.174	Bye-laws need to be introduced for laying down tax rates for different categories of ULBs without further delay. (Para 8.174)	Accepted. Action by: H&UA Deptt./ ULBs
93	13.93	8.175	Govt. in UDD and T&CP need to review and make appropriate provisions in Assam Municipal Act, 1956 for sharing the funds received from granting building permissions between District Development Authority and ULBs. Lack of funds is likely to render the District Development Authorities dysfunctional. The dual power for granting building permission needs to be gradually dismantled. (Para 8.175)	Accepted. Action by: H&UA Deptt./ T&CP / ULBs

94	13.94	8.176	The staffing pattern for ULBs needs to be adopted urgently and Service Rules of employees of ULBs finalized without delay. A cut-off date needs to be fixed so that no appointments after stipulated date are regularized. No employment should be made without prior approval of State Govt. This is considered necessary to check profligacy, ensure that only right category of staff are engaged and to ensure that reasonable amount of funds are being earmarked for providing services to residents. The Commission recommends that a statutory autonomous “Assam Municipal Service Commission” should be set up for streamlining the staffing pattern of ULBs, besides recruiting technical and suitable persons to Municipal Services. (Para 8.176)	Accepted. Action by: H&UA / WB / HAD / Finance (EA) Deptt./ ULBs
95	13.96	8.177	The Assam Municipal Act, 1956 needs to be amended urgently to empower ULBs to collect tax on hoardings and advertisements. (Para 8.177)	Accepted. Action by: H&UA Deptt./ ULBs
96	13.97	8.178	For augmentation of revenue of ULBs and to control misuse of treated piped water, ULBs providing piped drinking water need to install water meters against consumers. (Para 8.178)	Accepted. Action by: H&UA Deptt./ ULBs
97	13.98	8.179	ULBs should be authorized to levy fines and stop the supply of water and electricity of defaulters in timely payment of taxes /duties etc. (Para 8.179)	Accepted. Action by: H&UA Deptt./ ULBs
98	13.99	8.180	The organizational set up of municipalities need to be streamlined and strengthened to cope with emerging challenges and demands for ensuring efficient services to citizens. Modern management techniques and skilled manpower is essential. As the disparate ULBs will not be in a position to usher the changes at their level, the Govt. in the UDD will have to play a pro active role in planning, sensitizing and empowering the ULBs to meet the challenges ahead. (Para 8.180)	Accepted. Action by: H&UA Deptt./ ULBs
99	13.100	8.181	The revision of taxes by ULBs in Assam is irregular and has a negative impact on the revenue realization by ULBs. The Commission, therefore, recommends constitution of an independent valuation board along the same lines as of that of West Bengal and Tamil Nadu. The Municipal Act too needs to incorporate enabling provisions accordingly. (Para 8.181)	Accepted. Action by: H&UA Deptt./ ULBs

100	13.101	8.182	It is recommended that the State Government should constitute a Committee comprising of members from P&RD Department, UDD, GDD and Finance Department to review and draft Financial Rules and Financial Bye-laws governing collection of taxes, duties, cess etc. by the local bodies in Assam. Due to absence of such bye-laws the collection of taxes etc. by the local bodies in Assam has been badly affected. (Para 8.182)	Accepted. Action by: P&RD / H&UA / Finance (EA) Deptt./ ULBs
101	13.102	8.183	The Commission recommends that the local bodies in the Sixth Schedule areas should follow the Financial and Accounting Rules of LBs in General areas in order to maintain uniformity until such time Financial Rules are framed by them. (Para 8.183)	Accepted. Action by: WB / Hill Areas / Finance (EA) Deptt./ Councils
102	13.103	8.184	The local body institutions in Sixth Schedule Areas need to have democratically elected bodies at PRI and ULB levels to benefit from the recommendations for grants of the Central Finance Commission and the State Finance Commission. (Para 8.184)	Accepted. Action by: WB / Hill Areas Deptt./ Councils
103	13.104	8.185	The rent for spaces in market sheds and buildings need to be revised at regular intervals of three to five years as per prevailing market rates. As per best practice models the room and the space in market sheds should be allotted only for a specific period upto 3 to 5 years through auction and covered with a legal agreement with party concerned providing for periodic revision of rates and period of allotment. Regular collection of rent should be ensured and the defaulters should be evicted. A model agreement may be prepared and circulated by UDD to ULBs. (Para 8.185)	Accepted. Action by: H&UA Deptt./ ULBs
104	13.105	8.186	The Commission suggests that the necessary steps need to be taken by the UDD, GDD and P&RD department to prevent overlapping of jurisdiction while issuing building permissions among the District Development Authorities, ULBs and PRIs. The Commission also recommends amendment of Rules covering breadth of the approach roads to ensure that fire brigades / service vehicle / traffic commute freely and unhindered. (Para 8.186)	Accepted. Action by: H&UA / P&RD Deptt.

105	13.106	8.187	Government has recently created services and posts of Administrative Officer, Technical and Financial staff to provide administrative support at ULB level. They need to be recruited and trained and posted as early as possible. (Para 8.187).	Accepted. Action by: H&UA Deptt./ ULBs
106	13.107	8.188	SFC should be constituted for a term of 18 months and there should be a permanent SFC Cell entrusted to follow up recommendations approved by State Government. This was also recommended by the Third Assam State Finance Commission vide Annexure-9.8. (Para 8.188)	Accepted. Action by: Finance (EA) Deptt.
107	13.108	8.189	Provision of Social Audit is essential for bringing about improvement of functioning of ULBs. (Para 8.189)	Accepted. Action by: H&UA Deptt.
108	13.109	8.19	Provision for timely evaluation of schemes executed by the local bodies is required in order to assess the outcome. (Para 8.190)	Accepted. Action by: P&RD / H&UA Deptt.
109	13.110	8.191	Local Body Ombudsman should be constituted for a group of districts to look into complaints of corruption and mal-administration against elected representatives as well as functionaries.	Accepted. Action by: P&RD / H&UA / Finance (EA) Deptt.
			Local Body Ombudsman may be single member body appointed by a Committee consisting of the Chief Minister, the Speaker of the State Legislative Assembly and the Leader of the Opposition in the Legislative Assembly. The Ombudsman should be selected from a panel of eminent persons of impeccable integrity and should not be serving government official. (Para 8.191)	
110	13.111	8.193	The devolution of funds to local bodies consists of three components viz, (i) tax devolution to cover revenue gap, (ii) specific purpose grants to PRIs and ULBs and (iii) funds routed through concerned line departments for up gradation of infrastructures of local bodies. Fund is released after receipt of UCs against earlier releases. Funds may be released to the UDD, GDD , P&RD and Finance who in their turn release directly to the Drawing and Disbursing officers as follows for the Local Bodies of General Areas as well as Sixth Schedule Areas:-	Accepted. Action by: P&RD / H&UA / WB / Hill Areas / Finance (EA) Deptt./ LSGI/ Councils
			i) Chief Executive Officers of ZPs in the case of PRI.	

			<p>ii) Executive Officer in the case of MBs.</p> <p>iii) Commissioner, Guwahati Municipal Corporation for GMC.</p> <p>iv) Concerned line Departments operates their Head of Account as per government procedure.</p> <p>v) Finance Department of Government of Assam will directly transfer the fund to the Principal Secretary of respective Autonomous Councils viz. BTC, KAAC and DHAC pertaining to both SFC and CFC in the case of Autonomous Councils of Sixth Schedule Areas as per earlier procedure.</p> <p>vi) Accountant General of Assam will accept the UCs as per GFR 19A prescribed by AG issued by the Drawing and Disbursing Officers as mentioned above. (Para 8.193)</p>	
111	13.112	10.23	Assignment of taxes and duties levied and collected by the State Government to Local Bodies have not been considered by the Commission. (Para 10.23)	Accepted.
112	13.113	10.25	The Commission has excluded the proceeds of State's share of Central taxes and non-tax revenue collected by the State from the DP. (Para 10.25)	Accepted.
113	13.114	10.26	The net proceeds of State taxes have been determined by deducting the cost of collection from the gross proceeds. (Para 10.26)	Accepted.
114	13.115	10.29	The DP has been created out of the net proceeds of State taxes amounting to Rs.9875.48 crore during the five year period 2020-25. (Para 10.29)	Accepted. Action by: All Concerned Deptts. / Finance (EA) Deptt.
115	13.116	10.3	Distribution of DP between General and Sixth Schedule Areas has been made at the ratio of 80.54% and 19.46% respectively after deduction of grant element. On this basis, the Commission recommended devolution of Rs.2887.64 crore for the General Areas and Rs. 697.72 crore for the Sixth Schedule Areas. (Para 10.30)	Accepted. Action by: All Concerned Deptts. / Finance (EA) Deptt.
116	13.117	10.31	Rural-Urban bifurcation of the DP in General Areas has been made on the basis of population and density. The recommended amount of devolution is Rs.2106.36 crore for PRIs and Rs.781.28 for ULBs. (Para 10.31)	Accepted. Action by: All Concerned Deptts. / Finance (EA) Deptt.
117	13.118	10.32	The rural part of the DP of General Areas has been allocated among the districts on the basis of population, area and DDP. (Para 10.32)	Accepted. Action by: P&RD / Finance (EA) Deptt.

118	13.119	10.33	District-wise allocation of the DP in General Areas has been apportioned among the three tiers at the ratio of 30:30:40 respectively for the ZP, AP and GP. However, inter-tier apportionment of 15 th FC grant for the year 2020-21 may be made in the ratio of 15:15:70 respectively for the ZPs, APs and GPs. Moreover, for the period 2021-26, the State Govt. may move 15 th FC for inter-tier apportionment in the ratio of 20:20:60 for the ZPs, APs and GPs respectively. (Para 10.33)	Accepted. Action by: P&RD Deptt.
119	13.120	10.34	The share of each AP and GP has been determined on the basis of their respective population as per 2011 census. (Para 10.34)	Accepted.
120	13.121	10.35	The urban part of the DP in General Areas amounting to Rs.781.28 crore has been allocated among the ULBs on the basis of weighted average of four parameters. (Para 10.35)	Accepted. Action by: H&UA / Finance (EA) Deptt.
121	13.122	10.36	Specific purpose grant recommended for the PRIs in General Areas is Rs.2869.36 crore consisting of Rs.1799.16 crore as direct grant to PRIs an Rs.1070.20 crore routed through the line departments. Purpose-wise and year-wise details at Table 10.2. (Para 10.6 and 10.36)	Accepted. Action by: P&RD / Finance (EA) Deptt.
122	13.123	10.37	Specific purpose grant recommended for the ULBs is Rs.1226.91 crore for the Municipal Boards and Rs.184.23 crore for GMC. The share of MBs consists of Rs.453.91 crore as direct grant and Rs.773.00 crore as grant routed through line departments. Grant to GMC consists of Rs.159.23 crore as direct grant and Rs.25.00 crore as grant routed through line departments. (Para 10.37)	Accepted. Action by: All concerned line deptts.
123	13.124	10.39	Devolution recommended to PRIs in General Area during the five year period 2020-25 is Rs.2106.36 crore and Rs.781.28 crore to the ULBs as per year-wise phasing at Annexure-10.3. Release of funds against devolution shall be made in two equal installments in June and October each year. Release of 2 nd installment will be subject to utilization certificate of at least 50% of the 1 st installment. (Para 10.39)	Accepted. Action by: All concerned line deptts.

124	13.125	10.40	Specific purpose grant recommended directly to PRIs in General Areas is Rs.1799.16 crore for the five year period 2020-25 as per annual phasing at Table 10.2. In the same period, specific purpose grant recommended to ULBs in General Areas is Rs.613.14 crore as per details tables at 8.20 and 8.26. Release of funds against specific purpose grant shall be made in two equal annual installments soon after receipt of proposal from the concerned DDOs. The release of 2 nd installment will be subject to submission to UCs for at least 50% of the 1 st installment. (Para 10.40)	Accepted. Action by: All concerned line deptts.
125	13.126	10.41	Fund recommended for implementation of schemes by the concerned line departments on behalf of the PRIs is Rs.1070.20 crore as per details at Table 10.2. In the same period allocation of funds for ULBs through the line departments is Rs.798.00 crore. In respect of funds routed through line departments, budgetary allocation shall be made every year in the relevant head of account of the concerned line department. (Para 10.41)	Accepted. Action by: All concerned line deptts.
126	13.127	10.19 & 10.42	For incentive grant budgetary allocation of Rs.120.40 crore for the PRIs and Rs.4.05 crore for the ULBs shall be made annually in the State budget. The release of fund will be subject to fulfillment of eligibility criteria mentioned at paragraph 10.19. (Para 10.19 & 10.42)	Accepted. Action by: P&RD / H&UA / Finance (EA) Deptt.
127	13.128	10.43	The share of DP allocated to Sixth Schedule Areas is Rs.697.72 crore. The rural-urban bifurcation and Council-wise break-up of the bifurcated amount is shown at Table 10.15. (Para 10.43)	Accepted. Action by: WB / Hill Areas / Finance (EA) Deptt./ Councils
128	13.129	10.44	The rural share of the DP allocated to Sixth Schedule Areas amounting to Rs.507.38 crore shall be distributed among the Village Development Councils after retaining 20% for the Council. The inter-se distribution among VDCs shall be in proportion to their respective population as per 2011 census. (Para 10.44)	Accepted. Action by: WB / Hill Areas/ Finance (EA) Deptt./ Councils

129	13.130	10.45 to 10.46	The urban share of DP allocated to Sixth Schedule Areas amounting to Rs.190.34 crore has been distributed among the ULBs of the respective Councils as per criteria adopted for General Areas. In case of ULBs in KAAC and DHAC, the allocated amount does not cover their revenue gap as assessed by the Commission. As such, Rs.48.14 crore has been recommended as deficit grant treated as an additionality to the DP. (Para 10.45 to 10.46)	Accepted. Action by: WB / Hill Areas / Finance (EA) Deptt./ Councils
130	13.131	10.48	The amount recommended as devolution may be provided annually in the State budget under the relevant head of account. The release of funds shall be in two equal monthly installments in June and October. The inter-se distribution among the VDCs and ULBs may be made by SFC Cell in Finance Department. (Para 10.48)	Accepted. Action by: All concerned line deptts.
131	13.132	10.49	The specific purpose grant recommended by the Commission for the rural and urban local bodies shall be provided in the State budget under the relevant head of account. In the first installment 50% of the recommended amount may be released on receipt of proposal from the concerned DDO. The release of 2 nd installment will be subject to submission of UC for at least 50% utilization of the 1 st installment. (Para 10.49)	Accepted. Action by: All concerned line deptts.
132	13.133	10.50	For incentive grant budgetary allocation may be made annually in the State budget but the release of fund will be subject to fulfillment of eligibility criteria in paragraph 10.19 (Para 10.50)	Accepted. Action by: All Concerned Deptts.
133	13.134	10.51	The Commission recommended an additional amount of Rs.32.00 crore to meet spillover schemes under award of the 5 th ASFC to concerned ULBs (Para 10.51)	Accepted. Action by: H&UA / Finance (EA) Deptt./ ULBs
134	13.135	10.52	The Commission recommended an additional amount of Rs.38.00 crore in two equal installments for implementations of the spillover schemes under award of the 5 th ASFC to concerned ZPs. (Para 10.52)	Accepted. Action by: P&RD / Finance (EA) Deptt./ PRIs

135	13.136	10.53	In respect of PRIs of Sixth Schedule Areas for spillover schemes of 5 th ASFC the Commission recommends an additional amount of Rs.51.70 crore in two equal installments during the first two years at the ratio of Rs.22.50 crore to BTC and Rs.3.35 crore to KAAC. (Para 10.53)	Accepted. Action by: WB / Hill Areas / Finance (EA) Deptt./ Councils
136	13.137	10.54	In respect of ULBs of Sixth Schedule Areas for spillover schemes of 5 th ASFC the Commission recommends an additional amount of Rs.11.46 crore in two equal installments during the first two years at the ratio of Rs.5.73 crore i.e. Rs.2.99 crore for BTC and Rs.2.74 crore to KAAC. (Para 10.54)	Accepted. Action by: WB / Hill Areas / Finance (EA) Deptt./ Councils
137	13.138	10.55	The Commission recommended that Govt. of Assam may take up with the Ministry of Finance for issuing two separate sanctions for GMC and other MBs. Similarly, issue of separate sanctions for PRIs in General Areas and PRIs and ULBs in Sixth Schedule Areas may also be taken up with Govt. of India. (Para 10.55)	Accepted. Action by: All Concerned Deptts. / Finance (EA) Deptt.
138	13.139	10.56	In regard to distribution of local body grant recommended by the 15 th FC between General and Sixth Schedule Areas, the Commission recommended 80.54% for the General Areas and 19.46% for the Sixth Schedule Areas. (Para 10.56)	Accepted. Action by: All Concerned Deptts. / Finance (EA) Deptt.
139	13.140	11.10	The Commission emphasizes the need for creation of a permanent SFC Cell equipped with a comprehensive MIS in the Finance Department and integrated with the Panchayat and Rural Development, GDD and Urban Development departments. (Para 11.10)	Accepted. Action by: All Concerned Deptts. / Finance (EA) Deptt.
140	13.141	11.14	The Commission strongly reiterated the recommendations of Fourth SFC that a separate full-fledged and permanent SFC Cell in the State Finance be created with staffing pattern recommended by the Fourth SFC. For this purpose, the Commission has earmarked a sum of Rs.20.00 crore at the rate of Rs.4.00 crore annually. (Para 11.14)	Accepted. Action by: Finance (EA) Deptt.
141	13.142	11.16	The Commission felt the necessity of a Local Body Supplement in the Finance Accounts compiled by the CAG. (Para 11.16)	Accepted. Action by: All Concerned Deptts.

142	13.143	11.17 and 11.18	Budgeting and Accounting needs to be done in the format prescribed by the CAG. Online facilities for budgeting may be ensured to the local bodies so as to ensure compliance. (Paras 11.17 and 11.18)	Accepted. Action by: All Concerned Deptts.																
143	13.144	11.24	The Commission has recommended filling up of all vacant posts in the Directorate of Audit (LF) with special focus on 42 Audit Officers and 56 Assistant Audit Officers. It is recommended that the State Government may take urgent steps to construct Circle Offices in a phased manner. (Para 11.24)	Accepted. Action by: Finance (Estt.-B) Deptt./ DALF																
144	13.145	11.33	For training of personnel in rural sector, the Commission has recommended grant of Rs.8.00 crore. (Para 11.33)	Accepted. Action by: P&RD Deptt./ SIPRD																
145	13.146	11.36	For urban sector training, the Commission has recommended allocation of Rs.50.00 lakh to DALF. (Para 11.36)	Accepted. Action by: Finance (Estd. B) Deptt./ DALF																
146	13.147	11.45 to 11.54	The suggestions of the Commission for the National Finance Commission has been incorporated. (Para 11.45 to 11.54)	Accepted.																
147	13.148	12.29	<div><div>The Commission recommends that District Level Monitoring Committee needs to be constituted to coordinate, review and examine recommendations made at MB level and in the Zilla Parishads. The Committee should include representatives from independent agencies besides ULBs and PRIs. The Committee may be formed with the following officials and elected representatives. District Level Monitoring Committee on activities of LBs :</div><table><tr><td>1. Deputy Commissioner</td><td>Chairperson</td></tr><tr><td>2. Chief Executive Officer of Zilla Parishad</td><td>Member-Secretary</td></tr><tr><td>3. President of Zilla Parishad</td><td>Special Invitee</td></tr><tr><td>4. Executive Officers of APs</td><td>Member</td></tr><tr><td>5. Chairperson MB</td><td>Member</td></tr><tr><td>6. Deputy Director Town and Country Planning</td><td>Member</td></tr><tr><td>7. Ex. Engineer PWD Roads</td><td>Member</td></tr><tr><td>8. Ex. Engineer PWD</td><td>Member</td></tr></table></div>	1. Deputy Commissioner	Chairperson	2. Chief Executive Officer of Zilla Parishad	Member-Secretary	3. President of Zilla Parishad	Special Invitee	4. Executive Officers of APs	Member	5. Chairperson MB	Member	6. Deputy Director Town and Country Planning	Member	7. Ex. Engineer PWD Roads	Member	8. Ex. Engineer PWD	Member	Accepted. Action by: All Concerned Deptts.
1. Deputy Commissioner	Chairperson																			
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8. Ex. Engineer PWD	Member																			

			<table><tr><td>Building</td><td></td></tr><tr><td>9. Ex. Engineer PHE</td><td>Member</td></tr><tr><td>10.Chief of the Division, Zonal unit of Evaluation and Monitoring Division, Transformation & Development Deptt.</td><td>Member</td></tr><tr><td>11.Representative from DALF</td><td>Member</td></tr></table> <p>The Committee will sit twice in a year during April and October. The proceedings of the meeting with views and recommendations should be submitted to the State Level State Committee for monitoring the activities of LBs. (Para 12.29)</p>	Building		9. Ex. Engineer PHE	Member	10.Chief of the Division, Zonal unit of Evaluation and Monitoring Division, Transformation & Development Deptt.	Member	11.Representative from DALF	Member	
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11.Representative from DALF	Member											
148	13.149	12.3	<p>It is recommended that for Sixth Schedule Areas, the Autonomous Councils may draw up guidelines for better performance and transparency.</p> <p>(i) The Principal Secretaries of the Autonomous Councils (ACs) need to prepare fixed time frame for timely implementation of schemes.</p> <p>(ii) The ACs should obtain administrative approval and sanction of expenditure of each approved project.</p> <p>(iii) Tendering and competitive bidding for all projects must be made mandatory for ensuring transparency.</p> <p>(iv) The Principal Secretaries of the ACs should submit proposals to Finance (EA) Department through respective administrative departments for release of funds under award of State Finance Commission and Central Finance Commission. Finance Department will release funds directly to AC as per existing procedure.</p> <p>The Principal Secretaries of the ACs will submit UCs as per GFR-19(A) duly countersigned by the competent authority to Finance (EA) Department as well as to AG Assam.</p> <p>(v) Finance / WPT&BC / Hill Areas Department would fix monitorable targets (Physical and Financial) against each project before release of allocated funds to ACs.</p>	Accepted. Action by: WB / Hill Areas Deptts./ Councils								

			<p>(vi) It is recommended that the State Government engage “Third Party Monitoring” for the projects sanctioned under SFC.</p> <p>(vii) The concerned officers of Council shall be made responsible for following the guidelines. (Para 12.30)</p>	
149	13.150	12.31	<p>Commission recommends Standard operating procedure with geo -index and geo-tag for infrastructure created under grant-in-aid be introduced by the LSGI and Autonomous Councils to ensure timely and systematic implementation of schemes. LSGI and Council officers may be made responsible for ensuring guidelines /instructions are adhered to. Commission observes that there are different systems and procedures in place for implementation and monitoring of schemes in General and Sixth Schedule Areas. It is recommended that procedures may be standardized as far as possible and progressive monitoring models be adopted so that the benefits of good practices percolate to Sixth Schedule Areas. (Para 12.31)</p>	<p>Accepted. Action by: All Concerned Deptts.</p>
150	13.151	12.1 and 12.33	<p>State Level Monitoring Committee should be Constituted (Para 12.1 & 12.33)</p>	<p>Accepted. Action by: All Concerned Deptts. / Finance (EA) Deptt.</p>
151	13.152	12.34	<p>The Commission recommends that UCs submitted by the DDOs in respect of expenditure incurred under the award of SFC and CFC may be considered for acceptance (Para 12.34)</p>	<p>Accepted. Action by: All Concerned Deptts. / Finance (EA) Deptt.</p>

Additional Recommendations and Suggestions			
Sl. No	Recommendation No.	Summary of the Recommendations	Decision taken by the Cabinet
1	13.153	GPs in Assam are not equipped with full technical manpower support. As such, ZPs & APs are better equipped with manpower and may be more effective in implementing projects and schemes and may be utilized accordingly.	Accepted. Action by: P&RD Deptt.
2	13.154	There is a need of making a pool of technical persons to assist weak and new ULBs as well as GPs in executing specific schemes specially out of tied fund from CFC and SFC. Technical persons from existing in house resource in DMA and P&RD as well as from technical departments on deputation basis may constitute the pool resource.	Accepted. Action by: P&RD / H&UA Deptt.
3	13.155	Town & Country Planning, District Development Authority, Urban Water Supply & Sewerage Board and PHE should be involved in executing schemes on drinking water, rain water harvesting and water recycling by GPs.	Accepted. Action by: All Concerned Deptts.
4	13.156	Audit Reports need to be submitted every year to Govt. by DALF. The Finance Department also needs to forward the same to State Assembly for review immediately after receipt of the Report from DALF.	Accepted. Action by: Finance (Estt.-B) Deptt./ DALF
5	13.157	A Committee needs to be constituted with members from concerned line departments to assess the expenditure and execution of works against the fund received from CFC and SFC by the Local Bodies. Quarterly meeting should be held to review the position.	Accepted. Action by: All Concerned Deptts. / Finance (EA) Deptt.
6	13.158	Financial Inspection Department, Govt. of Assam should be entrusted to check the expenditure made by LBs regarding funds received from CFC and SFC.	Accepted. Action by: Finance (Estd.B) / Finance (IF) Deptt.
7	13.159	The Revenue Departments needs to take urgent steps for giving individual pattas through Batowara against each joint patta holder (Ejmali Patta). Due to prevalence of joint pattas, collection of land revenue and other duties especially in urban areas is badly hampered.	Accepted. Action by: R&DM Deptt.

8	13.160	All ULBs should have provision of electronic transfer of collection taxes, duties etc. As Regard expenditure in this context it should be met from devolution fund.	Accepted. Action by: H&UA Deptt./ ULBs
9	13.161	The ZPs, APs and GPs should also have the facility of electronic transfer of all types of receipts.	Accepted. Action by: P&RD Deptt./ PRIs
10	13.162	In conformity with the band recommended by 15 th FC for inter-se distribution amongst the three tiers of PRIs i.e. GP, AP and ZP. The Commission recommends the proportion 70:15:15 respectively for allotment of fund devolved by 15 th FC.	Accepted.
11	13.163	In the case of ULBs in Assam, the devolved fund of 15 th FC will be distributed on the basis of population and area in the ratio of 90:10 as per 15 th FCs guideline among the ULBs. Moreover, the 15 th FC guideline has recommended grants to the Sixth Schedule Areas based on population and area in the ratio of 90:10 in its interim report for the year 2020-21. The concerned State Govt. is to allot these grants for 2020-21 in April, 2020 and intimate the same to Ministries of Home Affairs and Finance.	Accepted. Action by: All Concerned Deptts. / Finance (EA) Deptt.
12	13.164	<p>The 15th Finance Commission grants of rural local bodies and Sixth Schedule areas shall be distributed as basic and tied grants in the ratio of 50:50. The basic grants are untied and can be used by the local bodies for location - specific felt needs, except for salary or other establishment expenditure.</p> <p>A. Rural Local Bodies The tied grants are to be used for the basic services of</p> <ul style="list-style-type: none"> a) Sanitation and maintenance of open defecation free (ODF) status. b) Supply of drinking water, rain water harvesting and water recycling. <p>The local bodies shall, as far as possible, earmark one half of these tied grants each to these two critical services. However, if any local body has fully saturated needs of one category, it can utilise the fund for the other category.</p> <p>B. Urban Local Bodies other than Million-Plus Cities.</p> <ul style="list-style-type: none"> i) 50 percent basic, ii) 50 percent tied to <ul style="list-style-type: none"> a) Drinking water (including rain water harvesting and recycling) 	Accepted. Action by: All Concerned Deptts. / Finance (EA) Deptt.

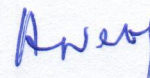
		<p>b) Solid waste management</p> <p>These urban local bodies shall earmark one half of tied grants each to these two critical services and this amount will be in addition to funds received from relevant CSS like Swachh Bharat Mission and Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and other similar schemes being implemented by the State. These grants shall not be used as a substitute for either Union or State share of such schemes. However, if any ULB has fully saturated the needs of one category, it can utilise the funds for the other category.</p>	
13	13.165	<p>The Commission suggests that a gist of the report may be published in local languages of Assam and circulated amongst the PRIs and ULBs by the State Government. Also awareness programmes at decentralized level need to be held to make the stakeholders acquainted with their duties and responsibilities in materializing the suggestions and recommendations of the Commission in reality.</p>	<p>Accepted. Action by: All Concerned Deptts. / Finance (EA) Deptt.</p>

N.B. : - For index of abbreviation used – please see **Annexure-II**.

Implementation of the Commission's recommendations requires:-

- (a) Legislative measures
- (b) Executive/Administrative orders
- (c) Further examination
- (d) Transferred subjects as per schedules of XI and XII of the Constitution of India

Necessary action for amendment/introduction of relevant Acts/Rules, introduction of Legislative measures, wherever necessary, for implementation of recommendations of the Commission will be taken up by the concerned departments of the State Government. Moreover, subjects to be transferred as per Schedules XI and XII of the Constitution of India, activity mapping to be prepared and accounts of the funds to be maintained properly and others will be taken up by the concerning Administrative Departments of the State Government for implementing these recommendations.



(Smti. Ajanta Neog)
Finance Minister, Assam

Dated: 29-04-2022
Dispur, Guwahati-06.

GOVERNMENT OF ASSAM
FINANCE (ECONOMIC AFFAIRS) DEPARTMENT
SFC CELL, BLOCK - F, DISPUR, GUWAHATI - 06

EXPLANATORY MEMORANDUM ON THE ACTION TAKEN ON THE RECOMMENDATIONS FOR THE YEAR 2020-21 MADE IN THE FINAL REPORT OF THE SIXTH ASSAM STATE FINANCE COMMISSION SUBMITTED TO THE GOVERNMENT OF ASSAM ON APRIL 22, 2020.

1. The Final Report of the Sixth Assam State Finance Commission covering the period of five years from 1st April 2020 to 31st March 2025 was submitted to Govt. of Assam on 22nd April, 2020. However, in view of the strenuous condition of State Finances for COVID-19 pandemic the Hon'ble Cabinet has approved Interim Devolution Grant for an amount of Rs.879.89 crore (50%) for the year 2020 - 21 against the recommended amount of Rs.1759.776 crore as per the following break - up:

A. General Areas	
i) Revenue Gap Grant	Rs.222.84 crore
ii) Direct Grant	Rs.244.53 crore
iii) Direct Grant to line departments	Rs.186.52 crore
iv) Additional Grant	
<u>(meeting the liabilities of 5th ASFC)</u>	<u>Rs. 17.50 crore</u>
Total - A	Rs. 671.39 crore
B. Strengthening of the SFC Cell	Rs. 2.00 crore
C. <u>Sixth Schedule Areas</u>	<u>Rs.206.50 crore</u>
Grand Total (A+B+C)	Rs.879.89 crore

2. Ex-Post Facto approval for the already constituted 6th ASFC vide notification No. FEA (SFC) 179/2017/74 dated 9th November, 2018 with due approval of the Hon'ble Chief Minister, Assam.
3. Ex-Post Facto approval for allowing Finance Department to extend necessary secretariat support to 6th ASFC by engaging suitable personnel for facilitating smooth functioning of the Commission.
4. The SFC Cell under State Finance Department may be suitably strengthened so as to make proper monitoring activities, training, e-governance, internet, software package and other accessories needed to run such an establishment. Moreover, pending creation of a permanent SFC Cell, the services of temporary staff of present SFC Cell like senior programmer, assistant programmer, MIS manager, Computer Operator, Junior Assistant, Drivers, Grade-IV etc. should be restored so that continuity of the Cell can be maintained.

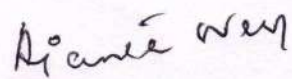
5. The Revenue Gap Grant, Direct Grant Devolution, Direct Grant to line departments Additional Grant, Strengthening of the SFC Cell for General & Sixth Schedule Areas remaining four years for the period of 2021-22 to 2024-25 may approved by the Hon'ble Cabinet in due course.
6. The other non financial recommendations of the Report of 6th ASFC for the period of 2020-21 to 2024-25 may also be approved by the Hon'ble Cabinet in due course.

Implementation of the Commission Recommendations requires:-

- a) Legislative measures,
- b) Executive Administrative Orders,
- c) Further examination.

Necessary action for the amendments of relevant Acts / Rules introduction of Legislative measures, wherever necessary, for the implementation of the recommendations of the Commission will be taken up by the concerned department of the State Government.

Other recommendations of the Commission will be considered in due course.


(Smti. Ajanta Neog)
Finance Minister, Assam

Dated: 30/06/2021
Dispur, Guwahati - 06.

LIST OF ACRONYMS

3Fs	Fund, Function & Functionaries
AG	Accountant General
A&F	Audit & Fund
AP	Anchalik Panchayat
ATR	Action Taken Report
BCR	Balance from Current Revenue
BTC	Bodoland Territorial Council
C&AG	Comptroller & Auditor General
CEO	Chief Executive Officer
CFC	Central Finance Commission
CPF	Central Provident Fund
DALF	Director of Audit and Local Fund
DDO	Drawing and Disbursing Officer
DDP	District Domestic Product
DHAC	Dima Hasao Autonomous Council
DMA	Directorate of Municipal Administration
DP	Divisible Pool
DRDA	District Rural Development Agency
EA	Economic Affairs
FC	Finance Commission
GDD	Guwahati Development Department
GMC	Guwahati Municipal Corporation
GP	Gaon Panchayat
GST	Goods and Services Tax
H&UA	Housing & Urban Affairs
IF	Institutional Finance
KAAC	Karbi- Anglong Autonomous Council
LBs	Local Bodies
LF	Local Fund
LSGIs	Local Self Government Institutions
MB	Municipal Board
MIS	Management Information System
NIC	National Informatics Centre
NE	North East
NGOs	Non Government Organizations
NULM	National Urban Livelihoods Mission
PHE	Public Health Engineering
PPP	Public Private Partnership
P&RDD	Panchayat & Rural Development Department
PRIs	Panchayati Raj Institutions
PWD	Public Works Department

R&DM	Revenue & Disaster Management
SFC	State Finance Commission
SIPRD	State Institute of Panchayat and Rural Development
SLAC	Sub Divisional Land Advisory Committee
SPT	Semi-Permanent Timber
TC	Town Committee
TG&S	Technical Guidance & Supervision
T&CP	Town & Country Planning
UC	Utilization Certificate
UDD	Urban Development Department
ULBs	Urban Local Bodies
VDC	Village Development Council
WB	Welfare of Bodoland
WPT & BC	Welfare of Plain Tribes & Backward Classes
ZP	Zilla Parishads