

# **The Jammu and Kashmir State Finance Commission Act, 2006**

JAMMU & KASHMIR

India

## **The Jammu and Kashmir State Finance Commission Act, 2006**

### **Act 18 of 2006**

- Published on 1 April 2007
- Commenced on 1 April 2007
- [This is the version of this document from 1 April 2007.]
- [Note: The original publication document is not available and this content could not be verified.]

The Jammu and Kashmir State Finance Commission Act, 2006(Act No. 18 of 2006)An Act to provide for ensuring equitable development of all regions in the State by equitable distribution of resources available for development and making good backlog of development and employment at the regional and district levels in the State of Jammu and Kashmir.Be it enacted by the Jammu and Kashmir State Legislature in the 57th Year of the Republic of India as follows :-Chapter-I Preliminary

### **1. Short title, extent and commencement.**

(1)This Act may be called the Jammu and Kashmir State Finance Commission Act, 2006.(2)It extends to the whole of State of Jammu and Kashmir.(3)It shall come into force on such date as the Government may, by notification in Government Gazette, appoint.

### **2. Definitions.**

- In this Act unless the context otherwise requires,-(a)"Act" means the Jammu and Kashmir State Finance Commission Act, 2006;(b)"Commission" means the State Finance Commission constituted under section 3 of the Act;(c)"Chairperson" means the Chairperson of the Commission;(d)"Member" means a Member of the Commission and includes the Chairperson;(e)"Notification" means a notification published In the Government Gazette;(f)"Prescribed" means prescribed by rules made under the Act.Chapter-II Constitution

### **3. Constitution of the State Finance Commission.**

(1)The Government shall constitute a body to be known as the State Finance Commission to exercise the powers conferred upon, and to perform the functions assigned to it, under the Act.(2)The

Commission shall consist of-(a)a Chairperson who shall be an eminent economist with expertise in State finance and planning at regional level; and(b)such other members, not exceeding eight, as the Government may appoint from amongst persons of repute having excelled in administration, spatial/regional planning, policy planning, entrepreneurship, investment, credits and legal or academic fields.(3)The Chairperson and the Members shall be appointed by the Government by notification.(4)There shall be a Secretary to the Commission who shall be the Chief Executive Officer of the Commission to be appointed by the Government.(5)The Secretary shall exercise such powers and discharge such functions of the Commission as it may delegate to him.(6)The Headquarters of the Commission shall be at such place as the Government may determine.

#### **4. Term of office of Chairperson and Members.**

(1)A person appointed as Chairman or a Member shall hold office for a period or [three years and three months] [Substituted words 'three years' by Act No. XXII of 2010, dated 25.10.2010] from the date on which he enters upon his office or till the Commission submits its report to the Government, whichever is earlier.

#### **5. Terms and conditions of the Chairperson and Members.**

(1)The Chairperson and the Members shall be entitled to such salary and allowances as may be prescribed.(2)The Chairperson and Members shall be entitled to such other terms and conditions of service as may be prescribed.(3)The terms and conditions of service of Chairperson or a Member shall not be varied to his disadvantage after his appointment.(4)Notwithstanding anything contained in sub-section (1) or sub-section (2) if the Chairperson, or a Member, at the time of his appointment, is in receipt of a pension (other than a disability or wound pension) in respect of any previous service under the Government, his salary in respect of service as the Chairperson or, as the case may be, as a Member, be reduced-(a)by the amount of that pension; and(b)if he has, before such appointment, received, in lieu of a portion of the pension due to him in respect of such previous service, the commuted value thereof, by the amount of that portion of the pension,

#### **6. Member to act as Chairperson or to discharge his functions in certain circumstances.**

(1)In the event of occurrence of any vacancy in the office of the Chairperson by reason of his death, resignation or otherwise, the Government may, by notification, authorize one of the Members to act as the Chairperson until the appointment of a new Chairperson to fill such vacancy for the remainder of the period.(2)When the Chairperson is unable to discharge his functions owing to absence on leave or otherwise, such one of the Members, as the Government may, by notification, authorize in this behalf, shall discharge the functions of the Chairperson until the date the Chairperson resumes his duties.

## **7. Removal of Chairperson and Members.**

- The Chairperson or any Member may be removed from the office on the ground of proved misbehaviour or incapacity by the Government in the prescribed manner.

## **8. Vacancies etc., not to invalidate the proceedings of the Commission.**

- No act or proceedings of the Commission shall be questioned or shall be invalidated merely on the ground of existence of any vacancy or defect in the constitution of the Commission.

## **9. Procedures to be regulated by the Commission.**

(1)The Commission shall meet at such time and place as the Chairperson may deem fit.(2)The Commission shall regulate its own procedure.(3)The recommendations of the Commission shall be authenticated by the Secretary of the Commission.

## **10. Office and other staff of the Commission.**

(1)The Government shall make available to the Commission an officer not below the rank of Secretary to Government having cumulative experience of management of sectorial planning of at least three years who shall be the Secretary of the Commission.(2)The Government shall provide such other administrative and/ or technical staff for the Commission, as it may consider necessary.(3)The salaries, allowances and conditions of service of the officers and other staff of the Commission shall be such as may be prescribed.(4)Officers and staff of the Commission shall be under its administrative control and shall not be transferred from the Commission without consulting it.

Chapter-III Powers and functions of the Commission

## **11. Functions of the Commission.**

(1)The Commission shall perform all or any of the following functions, namely :-(a)mapping the regions and the sub-regions with reference to well-accepted development indicators;(b)identifying the backward districts of the State and assess the deviation of these districts from the mean developmental level of the State;(c)evolving a set of policy instructions to equalize balance the dispersal of development across the districts;(d)identifying measures to bring about a paradigm shift in the approach for inter se allocation of resources by treating each region and/or sub-region within the region as a targeted economic unit for which captive resources and those to devolve from the State shall be determined with focus on economic returns for self-sustained growth;(e)formulating a set of administrative measures aimed at bringing about reforms in decision making in governance and development through decentralized processes and mechanism;(f)identifying the employment backlog at the regional, sub-regional, district or the targeted economic unit level and recommend measures for removal of disparities;(g)suggesting measures needed to augment the resources of the State Government, particularly to supplement resources of Halqa Panchayats, Municipalities and Municipal Corporations in the State; and(h)any

other matter, which may be ancillary or incidental to the aforesaid functions.(2)The Commission shall review the state of finances of the State and suggest restructuring of the public finances restoring budgetary balance, achieving macro-economic stability and debt reduction.(3)The Commission shall review and suggest measures for effective implementation of the recommendations and award under the Twelfth Finance Commission (TFC), particularly Fiscal Reform and Budget Management Programme and corrective measures for debt reduction and/ or sustainability and overall improvement in human development and investment climate.

## **12. Power to call for information and documents.**

(1)The Commission may require any public servant or any other person who, in its opinion is able to furnish information or produce documents, relevant to the functions of the Commission, to furnish any such information or produce any such documents.(2)Notwithstanding anything contained in the foregoing subsection, no person shall be required or authorized by virtue of this Act to furnish any such information or answer any such question or produce so much of any document,-(a)as might prejudice the security of State; or(b)as might involve the disclosure of proceedings of the Cabinet of the State Government or any Committee of the Cabinet :Provided that the privilege to this effect is claimed by the concerned person or functionary in accordance with the law.Explanation. - For the purposes of this section, "public servant" shall have the same meaning as is in section 21 of the Ranbir Penal Code.

## **13. Report of the Commission.**

(1)The Commission shall submit its report to the Government within the time prescribed.(2)The report of the Commission shall cover the period of five years (11th Five Year Plan) commencing on 1st April, 2007.Chapter-IV Finance, Accounts and Audit

## **14. Grants by the Government.**

(1)The Government shall, after due appropriation made by Legislature by law in this behalf, pay to the Commission by way of grants such sums of money as the Government may think fit for being utilized for the purposes of the Act.(2)The Commission may spend such sums as it thinks fit for performing its functions under the Act, and such sums shall be treated as expenditure payable out of the grants referred to in sub-section (1).

## **15. Accounts and audit of the Commission.**

(1)The Commission shall maintain proper accounts and other relevant records and prepare statement of accounts in such form as may be prescribed.(2)The accounts of the Commission shall be audited in the prescribed manner.Chapter-V Miscellaneous

## **16. Members and officers to be public servants.**

- Every Member of the Commission, and every officer appointed or authorized by the Commission to exercise functions under the Act, shall be deemed to be a public servant within the meaning of section 21 of the Ranbir Penal Code.

## **17. Protection of action taken in good faith.**

- No suit or legal proceedings shall lie against the Government, Commission or any Member thereof or any person acting under the direction of the Commission in respect of anything which is in good faith done or intended to be done in pursuance of the Act, or of any rules or any order made thereunder.

## **18. Powers of the Government to make rules.**

(1)The Government may, by notification, make rules for the purpose of carrying into effect the provisions of the Act.(2)In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :-(i)the other terms and conditions of service of the Members under sub-section (2) of section 5;(ii)the form in which the annual statement of accounts is to be prepared under sub-section (I) of section 15;(iii)the manner of auditing the accounts of the Commission.(3)As soon as the Commission submits its report to the Government, it shall be laid on the Table of both the Houses of the State Legislature within six months, followed by the 'Action Taken Report'.

## **19. Power to remove difficulties.**

(1)If any difficulty arises in giving effect to the provisions of the Act, the Government may, by order published in the Government Gazette, make such provisions, not inconsistent with the provisions of the Act and the rules, as appear to it to be necessary or expedient f& removing the difficulty :Provided that no such order shall be made after the expiry of the period of three months from the date of commencement of the Act.(2)Every order made under this section shall, as soon as may be after it is made, be laid before each House of the State Legislature.