

M.P. Nagar Vikas Nidhi Niyam, 2001

MADHYA PRADESH

India

M.P. Nagar Vikas Nidhi Niyam, 2001

Rule M-P-NAGAR-VIKAS-NIDHI-NIYAM-2001 of 2001

- Published on 15 June 2001
- Commenced on 15 June 2001
- [This is the version of this document from 15 June 2001.]
- [Note: The original publication document is not available and this content could not be verified.]

M.P. Nagar Vikas Nidhi Niyam, 2001Published vide Notification No. 03-18-2-2001, dated 15-6-2001, M.P. Rajpatra Part 2, dated 15-6-2001In exercise of the powers conferred by Section 433 of the Madhya Pradesh Municipal Corporation Act, 1956 (No. 23 of 1956) and Section 355 of the Madhya Pradesh Municipalities Act, 1961 (No. 37 of 1961), the State Government hereby makes the following rules in respect of transfer entry tax on the entry of goods in local areas and other receipts to ruban local bodies for mobilizing additional resources for their infrastructure development :-

1. Short title and commencement.

- (i) These rules may be called the Madhya Pradesh Nagar Vikas Nidhi Niyam, 2001.(ii)They shall come into force with effect from the date of their publication in the "Madhya Pradesh Gazette".

2. Definitions.

- In these rules, unless the context otherwise requires,-(a)"Act" means the Madhya Pradehs Municipalities Act, 1961 (No. 37 of 1961) and the Madhya Pradesh Municipal Corporation Act, 1956 (No. 23 of 1956);(b)"Fund" means the fund created under these Rules which includes the amount deposited in the Devolution Account, Infrastructure Account and the Repayment Account;(c)"Year" means the financial year;(d)"Competent Officer" means the competent officer as shown in the Madhya Pradesh Book of Financial Powers;(e)"Government" means the Government of Madhya Pradesh;(f)"Administrative Department" means the Urban Administration and Development Department;(g)"Director" means the Director, Urban Administration and Development;(h)"Financial Institutions" means Banks/HUDCO and other financial institutions providing loan for infrastructure development;(i)"Urban Local Bodies" means Corporation/Municipalities/ Nagar Panchayat constituted under the Act;(j)"Committee" means the Fund Management Committee constituted under these rules.

3. Constitution of the Fund.

- These shall be constituted and operated a Fund at the State Level by the name "The Madhya Pradesh Municipal Infrastructure Fund". The corpus of the Fund shall be established in a Personal Deposit Account with a token grant of one hundred rupees from the State Government.

4. Objectives of the Fund.

- The objectives of the Fund are as under (i) Entry Tax devolution on the basis of the orders of the Government of Madhya Pradesh; (ii) Sanction of grants for the corpus for specific purposes; (iii) Channeling of grants received from the Government of Madhya Pradesh or State Finance Commission to urban local bodies; (iv) Intercept mechanism i.e., repayments of instalment of outstanding loan raised by urban local body directly from the Fund to discharge the liability of urban local bodies; (v) Undertaking responsibility for repayment of instalment of new loans being raised by urban local bodies under the tax receipts intercept mechanism.

5. Access to the Fund.

- All eligible Urban Local Bodies in the Madhya Pradesh shall receive their share of Entry Tax revenue through the Fund and have access to the Fund for financing urban infrastructure provided they fulfil conditions laid down by the Committee.

6. Nature of the Fund.

- The Fund shall comprise of the following :- (i) The amount of entry tax to be paid from time to time by the State Government from the consolidated fund of the State to compensate the loss caused as a result of abolition of toll tax shall be transferred every year in the financial year as per budget provision; (ii) The grants to be received from the State Government on the recommendations of the State Finance Commission for the improvement of basic services; (iii) The grant to be given by the State Government for other purposes; (iv) Funds received from any other source.

7. Account of the Fund.

- There shall be opened three accounts of the Fund, namely :- (1) Devolution Account: (i) The amount of entry tax which is transferred every year to the urban local bodies as a compensation to the Octroi as per budget provision shall be transferred to this account. But the actual amount released to the urban local bodies shall be ten per cent more than the last year or the actual net income whichever is less treating the year 2000-2001 as base year. (ii) The Finance Department while making provision in the budget under clause (i) on the basis of net income of the tax, an amount equal to 2% shall be deducted as collection charges. (iii) The stamp duty and other compensation payable to the urban bodies under the Act and which are to be paid directly shall also be transferred through this account. (2) Infrastructure Account: (i) The remaining amount, after the amount of entry tax provided in the budget and which has been transferred to the Devolution Account under

sub-clause (i) of clause (1) of Rule 7 treating the year 2000-2001 as base year, shall be transferred to the Infrastructure Account.(ii)The grant to be received from the State Government on the basis of the recommendations of the Finance Commission for the improvement of basic services.(iii)The grant to be given for the specific capital works by the State Government shall also be transferred to the Infrastructure Account.(3)Repayment Account- The amount to pay off the liabilities on behalf of urban bodies Institutional Finance and State Government shall be transferred and deposited into this Account from the Infrastructure and Devolution Account as per order of the Committee, provided that for transfer of any amount from Devolution Account consent of the concerning urban body shall be obtained.

8. Expenses from the Fund.

(1)Expenses from the Devolution Account-(i)The amount shall be paid monthly from the Devolution Account after increasing 10% to the amount to be received by the urban bodies in the base year 2000-2001 or the percentage of the actual net income whichever is less;(ii)If any urban body resolves or consents to decrease its regular grant and to include it as a share for infrastructure development then available amount shall be transferred into the infrastructure account;(iii)If any urban body gives its consent to reduce its amount of regular grant for the repayment of its debts to Financial Institutions or the fulfilment of its liabilities to Government then the equivalent amount shall be transferred into the Repayment Account and this system shall remain continued every year till the repayment of the debts.(2)Expenses from the Infrastructure Account.-After transfer into the repayment account of the total deposits in the beginning of the year for the repayment of liabilities of Financial Institutions and State Government, the payment shall be made out of the remaining amount in balance for the improvement of civic amenities and schemes of development of cities to be undertaken or for the new schemes sanctioned through financial institutions for which amount is to be provided. The amount shall be spent from this account mainly for the following development works :-(i)Work relating to road including repairs thereof;(ii)Necessary amount for the drinking water schemes shall include the contribution to be made available by the urban local bodies;(iii)Improvement of fire services;(iv)For any specific purposes e.g., improvement of slum area and environment or other urban schemes;(v)Management of garbage/waste;(vi)Improvement of basic amenities of Urban Local Bodies.(3)Expenses from Repayment Account-(i)For repayment of arrears of debts taken from Government which shall include repayment of interest and penal interest,(ii)For the repayment of such debts and interest, penal interest and guarantee fee thereon provided by Financial Institutions/banks which are required to be paid directly by the Government with the permission of such bodies,(iii)For the repayment of dues/liabilities of Government Department/Undertakings/Boards which such body is unable to pay off.(iv)For the payment of such amount of contribution towards pension fund of employees of urban bodies which the urban body cannot pay.

9. General Conditions of Expenditure.

(1)The competent officer shall be competent to sanction expenditure from the Nagar Vikas Nidhi up to the limits conferred on them and it shall be compulsory to follow the prescribed procedure and conditions.(2)The distribution of amount to the local bodies for expenditure shall be made

according to the recognized principles and no decrease/increase can be made in this.(3)The criterion for expenditure from the Infrastructure Fund shall be prescribed by the Committee and neither any project shall be taken up nor expenditure shall be incurred for this purpose against the recognized criterion.(4)A minimum ten per cent of the fund shall be kept for emergency expenditure in the Infrastructure Fund and Repayment Account Permission shall not be given for spending the whole amount from such account.(5)The account of the fund shall be kept in the personal deposit account under the Public Account in the Government Treasury in the name of the Director of Urban Administration and Development and all the transactions shall be made through cheques. The cheques shall jointly be signed by the Director or a Class I Officer nominated by him, and the Accounts Officer of the Directorate or a senior officer who is doing the work of the Account.

10. Constitution of Fund Management Committee.

(1)A committee shall be constituted for the administration and supervision of the fund which shall be known as Fund Management Committee which shall meet at least once in every financial year.(2)The committee shall consist of the following members, namely:-(i)Principal Secretary to the Government of Madhya Pradesh, Urban Administration and Development Department.(ii)Principal Secretary/Secretary to the Government of Madhya Pradesh, Finance Department.(iii)The Commissioner, Institutional Finance.(iv)The Commissioner/Director, Urban Administration and Development, Government of Madhya Pradesh(3)The Principal Secretary, Urban Administration and Development shall be the Chairman of the Fund Committee.(4)The Commissioner/Director of Urban Administration and Development shall be the Fund Manager.

11. Maintenance of Registers.

- The Fund Manager shall maintain registers for maintenance of the accounts including the following :-(i)Cash Book;(ii)Cheque Book;(iii)Pass Book;(iv)A register showing the amount received from the State Government;(v)Register of loans utilized by the urban local bodies;(vi)Register of Entry tax;(vii)Register of Grants;(viii)Register of recoveries of payment of loans and interest;(ix)Abstracts of monthly and yearly account of the Fund;(x)Register relating to guarantee fees;(xi)Register relating to dues of urban local bodies by various departments of Government.

12. Accounts and Audit.

(1)The Fund Management Committee shall maintain such books of accounts which are specified in Rule 8 and other books in relation to its accounts and prepare an annual statement of accounts and balance sheet in such form and in such manner as may be specified by the Government. The Fund Manager shall in accordance with the instructions issued by the State Government from time to time keep the fund under PD Account.(2)The accounts of the Fund Management Committee shall be audited by such auditor in such manner and at such time as the State Government may, by general or special order, direct and the auditor so appointed shall have the powers of requiring the production of documents and the furnishing of information in respect of such matters.(3)The accounts of the Fund Management Committee as certified by the auditor together with the audit report thereon shall be forwarded annually to the State Government within six months from closure

of the accounting year and the State Government may issue such directions to the Fund Management Committee as it may deem fit and the Fund Management Committee shall comply with such directions.

13. Annual Report and Audited Statement of Accounts.

- The annual report of the Fund Management Committee shall be prepared under the direction of the Committee and after its approval, a copy of the report shall be submitted to the State Government in the Department of Urban Administration and Development which shall forward it to the Finance Department before the end of July every year.

14. Powers of Committee to borrow and lend.

(1)The Committee may, from time to time, with the previous sanction of the State Government and subject to such conditions as the State Government may, by general or special order determine, fix the inter-se share of each urban local body from the amount of entry tax received from State Government.(2)Subject to the provisions of these Rules, and such conditions and limitations as may be specified in the scheme, the Committee may, out of the corpus available, devolve share of Entry' Tax to each urban local body and repay instalments of loan due under agreements with urban local bodies.