

8/IF
20/11/2014

**Government of Himachal Pradesh
Finance (IF) Department**

No.Fin-IF(C)A(3)4/2014 Dated, Shimla-171002, 19th Nov, 2014

NOTIFICATION

In exercise of the powers conferred by Section 98(1) of the Himachal Pradesh Panchayati Raj Act, 1994 (Act No.4 of 1994) read with Articles 243-I and 243-Y of the Constitution of India, the Governor, Himachal Pradesh, is pleased to constitute the 5th H.P. State Finance Commission to review the financial position of the Panchayats and Municipalities and devolution of resources to these institutions and to appoint the following as its Chairman and Members with immediate effect. The Chairman and Members will look after this job in addition to their own work :-

1. Sh. Kuldip Kumar, MLA, Chintpurni Chairman
2. Principal Secretary (RD&PR) Member (ex-officio)
3. Adviser (Planning), Member Secretary
(ex-officio)

2. The Commission shall make recommendations to the Government as to:-

- a) the principles which should govern :-
 - i) the distribution between the State and Panchayats of the net proceeds of the taxes, duties, tolls and fees leviable by the Government which may be divided between them and allocation between all levels of

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Panchayats/Municipalities of their respective shares of such proceeds;

- ii) the determination of taxes, duties, tolls and fees which may be assigned to or appropriated by the Panchayats and Municipalities;
 - iii) the grant-in-aid to Panchayats/Municipalities from the consolidated fund of the State;
- b) to suggest measures needed to improve the financial position of the Panchayats/Municipalities;
 - c) the Commission should make a normative assessment of needs based on the actual devolution of functions to each tier of the PRIs and an assessment of potential fiscal capacity based on the tax and non tax resources available to PRIs in making any recommendations on devolving untied grants or share of State taxes to these bodies;
 - d) the Commission should make an assessment of recurring grants for specific schemes of the State Government relating to support for honorarium and expenses of elected representatives and employees of PRIs and suggest improvements in these schemes in order to promote the exercise of fiscal autonomy and responsibility by the PRIs.
 - e) the Commission should suggest appropriate ways to take forward the process of devolution of functions, funds and functionaries to the PRIs keeping in view the existing delivery system and the financial capacity of the State Government. It may make specific suggestions with regard to :-
 - support for pilots to hand over responsibility for delivery of primary education, primary health, water and sanitation and rural roads to appropriate levels of PRIs;



- changes in legislation and procedures necessary to enhance the tax and non-tax capacity of the PRIs consistent with accepted principles of taxation at the local level;
 - strengthening of administrative capacity of PRIs by placing under their control relevant categories of employees either by way of recruitment at the level of relevant tiers of the PRIs or by seconding of existing State Government staff to them.
- f) any other matter referred to the 5th H.P. State Finance Commission by the Government in the interest of sound finance of the Panchayats/Municipalities.
3. The Commission shall devise its own procedure and appoint such Advisers, Institutional Consultants as it may consider necessary. It may call for such information and take such evidence as it may consider necessary.
4. The commission shall make its report available by the 30th April, 2016 covering a period of five years commencing from 1st April, 2017.
5. The Planning Department would be the nodal department for functioning of the commission on the pattern of previous State Finance Commissions.

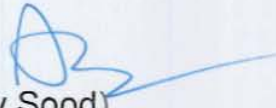
By order

(Dr. Shrikant Baldi)
Pr. Secretary (Finance) to
the Govt. of H.P.

Endst. No.Fin-IF(C)A(3)4/2004 Dated, Shimla 171002, 19th November, 2014

Copy is forwarded for information and necessary action to :-

1. Shri Kuldip Kumar, Chairman, H.P. State 5th State Finance Commission, H.P.Sectt. Shimla-2.
2. Principal Secretary (RD&PR) to the Govt. of H.P.
3. Adviser (Planning), Himachal Pradesh, Shimla-2.
4. All Administrative Secretaries to the Govt. of H.P.
5. The Pr.Secretary to Governor, Himachal Pradesh, Shimla-2.
6. The Secretary, GAD to the Govt. of H.P, Shimla-2.
7. The Secretary, H.P. Vidhan Sabha, Shimla-4.
8. All the Deputy Commissioners in H.P.
9. The Deputy Controller, Printing & Stationery, H.P. Shimla-5 for publication in the extra ordinary Rajpatra.
10. The Director (PR & RD), Himachal Pradesh, Shimla-9.
11. The Director, Urban Local Bodies, H.P.
12. Guard file.


(Akshay Sood),
Special Secretary (Finance) to the
Govt. of Himachal Pradesh.