



Panchayat Finances





Devolution of Funds, Functions and functionaries

- Out of 29 subjects enlisted in Schedule XI under the Constitution, the State Government has devolved 21 subjects and out of 18 functions listed under the schedule XII, the Government has devolved 17 functions to the ULBs
 - Functionaries is essential for enabling the LBs to discharge the assigned functions smoothly and meaningfully
 - As per recommendations of 5th SFC, Accountant-cum-DEO and GPTA are being posted at the GP level
 - With active involvement and accountability of functionaries of line departments the quality of services provided by GPs are being improved.
 - Funds are being placed with LBs in shape of untied grants and tied grants as per recommendations of SFC and CFC
 - But, Own source of revenue of LBs is required to be improved for effective delivery of services
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Own Source of Revenue of LBs

- Though ULBs are at better position than PRIs in terms of mobilisation of Own source of Revenue (OSR), still there is enough scope for mobilisation of OSR for LBs
- Art. 243(H) and Art.243(X) of the Constitution authorise the State Government to empower the Local Bodies to impose taxes including assignment of such taxes, duties, tolls and fees levied and collected by the State Government in addition to provide for making such Grants-in-aid from the Consolidated Fund of the State
- It has been observed over the years that own resources of Local Bodies have not grown substantially so as to reduce their dependence on transfer of funds from both the Union and the State Governments.



Steps taken by LBs to increase OSR

- Parking fees are collected from vehicles at the prominent places in GPs and ULBs.
 - Panchayat Tanks are leased out for pisciculture after renovation
 - Existing orchards and new orchards are developed and leased out.
 - Steps are taken to transfer Market yards managed on revenue sharing basis by RMCs to LBs in whose jurisdiction such market yards function
 - Capital assets are created in LBs e.g. Kalyan Mandap, market complex etc.
 - Incentives are paid to LBs by Govt. to increase their OSR
 - LBs are evolving as local self Government day by day, still they have to travel a long way to become self government in true sense.
 - Own source of revenue (OSR) of LBs need to be increased to discharge the duties entrusted to them.
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Thank you