



KERALA GAZETTE

കേരള ഗസറ്റ്

EXTRAORDINARY

അസാധാരണം

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GOVERNMENT OF KERALA

Finance (Administration-A) Department

NOTIFICATION

No. 42650/Admn.A1/2009/Fin.

Dated, Thiruvananthapuram, 19th September, 2009.

S. R. O. No. 762/2009.—Under clause (1) of Article 243-I of the Constitution of India and section 186 of the Kerala Panchayat Raj Act, 1994 (13 of 1994), read with clause (1) of Article 243-Y of the Constitution of India and section 205 of the Kerala Municipality Act, 1994 (20 of 1994), the Governor of Kerala is pleased to constitute a Finance Commission consisting of Prof. M. A. Oommen (Professor, Malcolm Adiseshiah Chair of Development Economics and Decentralized Planning, Institute of Social Sciences, New Delhi) as the Chairman and the following two persons as part-time members, namely:—

- (1) Sri S. M. Vijayanand, Principal Secretary to Government, Local Self Government Department, Government of Kerala.
- (2) Smt. Ishita Roy, Secretary to Government, Finance (Expenditure), Government of Kerala.

2. The Chairman and other members of the Commission shall hold office for a period of one year from the date of this notification.

3. The Finance Commission shall review the financial position of the Panchayats and Municipalities and make recommendations as to—

(a) The principles which should govern,—

- (i) the distribution between the State, Panchayats and Municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which may be divided between them under Part IX and Part IX-A of the Constitution and the allocation between the Panchayats at all levels and the Municipalities of their respective shares of such proceeds;
- (ii) the determination of the taxes, duties, tolls and fees which may be assigned to or appropriated by the Panchayats and the Municipalities;
- (iii) the grants-in-aid to the Panchayats and the Municipalities from the Consolidated Fund of the State.

(b) The measures needed to strengthen the financial position of Panchayats and Municipalities with special reference,—

- (i) the potential for Local Governments to raise funds from financial institutions and the market, and to suggest a frame work for realising this potential;
- (ii) improving the quality of upkeep of assets owned by Local Governments as well as those transferred to Local Governments;
- (iii) rationalizing of taxes and revenues now collected by Local Governments;
- (iv) achieving economy and efficiency in expenditure by Local Governments;
- (v) providing incentives for higher own resource mobilization by the Local Governments;
- (vi) maintaining a proper fiscal data base relating to Local Governments;

- (vii) putting in place measures required for improving the capacity of financial management by Local Governments;
- (viii) improving monitoring of the fiscal performance of the Local Governments.

(c) The measures needed for the proper institutionalisation of the decentralization initiatives in the State.

4. The recommendations of the first three State Finance Commissions may be revisited by the Finance Commission and appropriate suggestions may be given on those recommendations which had been accepted by Government, but which have not been operationalized.

By order of the Governor,

S. M. VIJAYANAND,
Principal Secretary (Finance).
(in-charge)

Explanatory Note

(This does not form part of the notification, but is intended to indicate its general purport.)

As per clause (1) of Article 243-I of the Constitution of India, and section 186 of the Kerala Panchayat Raj Act, 1994 (Act 13 of 1994) read with clause (1) of Article 243-Y of the Constitution of India and section 205 of the Kerala Municipality Act, 1994 (20 of 1994) the Governor shall constitute a Finance Commission to review the financial position of the Panchayats and Municipalities and make recommendations. Accordingly, the Governor of Kerala has been pleased to constitute the Finance Commission.

The notification is intended to achieve the above object.