The chapter discusses the origin and growth of urban local governments. The chapter is divided into three sections. Section-I discusses the evolution and growth of urban governments at national level. Section-II examines the growth and functioning of urban governments in Andhra Pradesh. Section-III analyzes the growth of profile of Guntakal Municipality.

**Section-I**

The modern municipal government in urban units is essentially a creation and legacy of British rule. It was imported in India by Britishers from their own land. However, it is said that the origin of local self-government had very deep roots in ancient India. On the basis of historical records, excavations and archaeological investigations, it is believed that some form of local self-government did exist in the remote past. In the Vedas and in the writings of Manu, Kautilya and others, and also in the records of some travelers like Magasthnese, the origin of local self-government can be traced back to the Buddhist period.\(^1\)
The Ramayana and the Mahabharata also point to the existence of several forms of local self-government such as Paura (guild), Nigama, Pauga and Gana, performing various administrative and legislative functions and raising levies from different sources.

Local government continued during the succeeding period of Hindu rule in the form of town committees, which were known as ‘Goshthis’ and ‘Mahajan Samitees’. The representative character of these samitees was respected by the rulers. These Mahajans sometimes delegated their functions to their representatives or to Panchakulas (committees of five) who used to collect revenue on behalf of the state. In addition to Panchkulas, ‘Talara’, an officer of the state, supervised local administration and policing with the help of the elected representatives.²

In the Mauryan period followed by the Gupta era and subsequently in the medieval period, the system of local self-government continued to be more or less the same. However, the system of local self-government was quite different in the Mughal period. The Mughals were fond of building new cities and maintaining them. Those cities were, by and large, centers of trade and industry. Surat, Patna and Ahmedabad, for example, happened to be provincial capitals and offered a rich market. Whatever urban administration was there, it was autocratic in form. The City Kotwal, appointed by the Emperor, was the key-centre of municipal administration. He was responsible for maintenance of inventory of houses, roads, levy and collection of local taxes, tolls, transit duties etc. The markets were controlled by him. He kept a check on weights and measures and a vigil on the local prices. These are basically municipal functions, which were performed by him in addition to his
foremost duty of maintaining law and order. Thus, in ‘kotwal’ of the Muslim period, offices of the modern Municipal Commissioner and the City Magistrate were combined.³

British rule in India came to be extended through the East India Company, which was, in its origin, a commercial concern engaged in trade. The unsettled political conditions in India in the eighteenth century, and the rivalry between the trading companies representing different European powers led the Britishers to intrigue with the local rulers to protect their trading interests. As a consequence the East India Company found itself landed suddenly with liability to rule over vast tracts of land.

The company, at the same time, got concerned also with the health and conveniences of its servants. The basic necessities of a healthy and safe living, i.e. sanitation, light and roads were almost absent. The Britishers thought it proper to transplant some sort of municipal institutions in areas where the servants of the company and other Europeans had settled.

Madras was the first city to have a local government established under a charter, dated December 30, 1687, issued by the Company.⁴ The Municipal Corporation, which came into existence on September 29, 1688, was to consist of a Mayor, 12 Alderman and 60 to 120 Burgesses. The company declared in the charter that it wanted to encourage people of all nations and all sects of religion residing within the limits of the corporation and that the Alderman should be form among the heads and chiefs of all respective castes. The Burgesses were also to be both from Europeans and Indians. The Mayor ship was confined to the Englishmen. The corporation was also to have a town Clerk and a Recorder, who could not be other than Englishman. The
Mayor and three Aldermen formed a court of Record, known as the Mayor’s Court. They acted as Justices of Peace. It was done on the lines of the City Corporation of London, where also a Mayor’s court was functioning. It was rather customary in England in those days to confer judicial powers on Municipal Corporations.

The Madras Corporation was given powers to raise money by taxing the inhabitants. From the funds so raised it was required to build a town hall, a jail and a school for the children of the Europeans, to improve roads, undertake lighting conservancy and similar other services. Thus, a beginning was made in the direction of establishment of municipal government in India. It was a period when local government in England had not been fashioned properly.

The next step, not of the same significance was the establishment of Mayor’s Court in all the presidency towns, i.e. Madras, Calcutta and Bombay, by King George-I through a charter issued to the Company on 24th September 1726. The charter introduced uniformity of approach to all the three towns. The charter also provided for the constitution of a corporation in each presidency town, appointment of a Mayor and nine Aldermen. The charter of 1687 created a corporation and a Mayor’s court in Madras, while the charter of 1726 created similar organization in all the three presidency towns. However, under the new charter their functions were largely judicial.\(^5\)

With the renewal of Charter of the East India Company by the British Parliament in 1793, a new attempt was made to establish municipal organizations in the presidency towns. It empowered the Governor General-in-Council to appoint Justices of Peace from among the servants of East India
Company and other British inhabitants for the Mayor’s Courts. The Justices, beside judicial duties, were required to provide for scavenging, police, and repair of street, etc. They were also authorized to assess households for payment of rates. In 1801 town duties were imposed in the towns of Bengal for the purpose of improving public resources. This amounted to use of local resources for filling the imperial coffers. The indirect tax in the shape of town duties was condemned by Charles Trevelyan in his ‘Report on Town Duties’ in 1833. Between 1813 and 1816 different regulations were made to set-up committee in large cities to collect taxes on houses and lands for the provision of a town choukidar. Act XVI of 1837 authorized to committee to use the savings from House Tax for cleansing and repairing of towns.6

The Act of 1842 was the first formal measure for organizing municipal institutions, but initially it was confined to Bengal Presidency. Under the Act any town could constitute a committee, if two-thirds of the householders put up a written demand for the purpose. The Town Committee was authorized to levy tax on the householders and undertake sanitary service. Because of the provision for direct taxation the Act could not become popular. Only one town in Bengal made use of the Act, but the inhabitants there too, when called upon to pay tax, brought legal proceedings against the tax collector for trespass and won damages. Thus, the attempt to impose a direct tax met the same fate.

The elective element was introduced in a restricted sense in Bombay under the Act XI of 1845 and in Calcutta under Act No. XVI of 1847. In Bombay a board of conservancy was established which to have five members was elected by the justices of Peace. Calcutta was provided with a Board of
Seven Commissioners for the improvement of the city. Four of them were to be elected according to formula agreed upon by the rate-payers and the government. However, the said elective principle suffered a set-back in 1856. Act No. XIV and XXV prescribed for the three presidency towns a uniform system of administration and defined functions of civic administration. A body corporate consisting of three nominated salaried commissioners was set up in each of the three towns. All the municipal functions were concentrated in their hands.

After the mutiny and its suppression and re-occupation of Oudh in 1858, the management of Nazul and Municipal affairs was entrusted to Local Agency Committee set-up for the purpose. In Lucknow, the committee had the Deputy Commissioner as its President and City Magistrate as Secretary. However, a new committee was set up in 1862 with thirteen members, of whom four were non-officials. The Judicial Commissioner was its President, the commissioner, Lucknow Division, was the vice-president, while the deputy commissioner acted as its secretary’s.⁷

A Royal Army Sanitation Commission was appointed by the Government in 1863 to report on the condition of the health of the Army in India. Most of the towns were dirty and insanitary. The Commission recommended measures for better sanitary arrangements to be implemented immediately. Within a few year of publication of its report and in the wake of Lord Lawrence’s resolutions of 1864, Acts were passed for extension of municipal administration in different provinces. For example, Punjab Municipalities Act, 1867, Madras Town Improvement Act was passed in 1865, the N.W.P. Municipalities Legislation was enacted in 1868 and Bengal had
two Acts, No. III in 1864 and No.VI in 1868. The N.W.P. Act contained a provision for the election of the President if so directed by the provincial government.

Then in 1870 came the Lord Mayo’s resolution, which included: “But beyond all this, there is a greater and wider object in view. Local interest, supervision and care are necessary to success in the management of funds devoted to Education, Sanitation, Medical Charity, and Local Public Works. The operation of this resolution, in its meaning and integrity, will afford opportunities for the development of self-government, for strengthening Municipal Institutions, and for the association of native and Europeans, to a greater extent than heretofore, in the administration of affairs”.

In this way, an emphasis was laid in the direction of “Self-Government’. As a consequence either new acts were passed or the old acts were amended in several provinces to incorporate the elective principle in local bodies. The Madras Town Improvement Act of 1865 was amended in 1877; Bengal made provision for election in larger towns in 1873; in Bombay the Act of 1850 was superseded by Act VI of 1873 providing for some elected and some nominated members. The elective system in the North-West provinces including Oudh was introduced in 1872 and in 1874 through the orders of the provincial government. A combined Act for the municipalities in North West Provinces and in Oudh was also enforced in 1873. Punjab introduced the elective system under Act IV of 1873. In Central Provinces election by wards commenced in 1876. But, in all the provinces it was a half-hearted attempt, the elective element was not introduced in full measure. By and large the Presidents/chairman still continued to be from amongst the officials.
Lord Ripon, who took over in 1880 as the new Viceroy, was a liberal and could not ignore the sentiments of Indians. He felt that it was not yet time to give them a share in the central and provincial governments, but opportunities should be thrown open to them for training in political and popular education. He was of the opinion that this training could be purposeful only when local bodies became elective and enjoyed real powers. This meant reduction in control exercised by the central and provincial government over the local government institutions.

The famous resolution, which is also called as Magna Carta of Local Self Government, was issued by Lord Ripon’s Government on 18th May, 1882. The objective of Ripon’s policy was two-fold. On the first hand the resolution provided that “adequate resources which are local in nature and are suited for local control, should be provided to local bodies”. In the second place the resolution aimed at real self-government. He also wanted the local governments to suggest as to what measures, legislative or otherwise, are necessary to ensure more local self government.

According to Lord Ripon, Local Self-Government was “an instrument of political and popular education”. Another important reform sought to be made by Ripon was in the composition of local boards, whether rural or urban. He felt that they must have a large preponderance of nonofficial members, and in no case the official members should exceed one third of the whole. He commended that the nonofficial members must be led to feel that real responsibilities to discharge. Having this end in view he suggested that, wherever practicable, a non-official should be made chairman of the Board. He went to the extent that where the District Magistrate continues to be
chairman; he must not have, in that capacity, the right to vote in the proceedings. Thus Lord Ripon turned the tables in favor of the elective principle and he is acclaimed as ‘Father of Local Self Government in India’. The first outcome of the new resolution was making of legislations to enable local governments to give effect to the general scheme.\textsuperscript{10}

In Madras, a committee was appointed by the government in 1882, to report on the then existing local self-government and to suggest the needed reforms. Incorporating many of the recommendations made by the committee the District Municipalities Act IV of 1884 was passed. One of the important provisions was related to the election of 3/4\textsuperscript{th} of the number of municipal commissioners by rate-payers.

In Bombay, the Act of 1884 prescribed the election of at least one-half of the commissioners as a general rule both in ‘city’ and ‘town’ municipalities. It also fixed a limit on the number of government officers being nominated as members. It could not exceed one-quarter of the total. Similarly, Bengal Act No. III of 1884 also provided for election of two-third municipal commissioners by the rate-payers. The Chairman was to be elected by the commissioners in a majority of municipalities and the Vice-Chairman in all of them. The number of official members was also reduced to one-quarter.

In North-West Provinces and Oudh a new law was enacted in 1883 (Act XV), which enabled election of three-fourth of the members by the rate-payers and of the Chairman and Vice-Chairman by the municipal committee. However, the provincial government reserved the right to appoint the chairman in any municipality.\textsuperscript{11}
Punjab, through Act XIII of 1884, gave powers to municipal committees to elect their own presidents and vice-presidents, subject to government’s approval. The elective elements in a municipality could be introduced at the pleasure of the provincial government. However, it did assure that after the introduction of the elective principle into a municipality, the step could not be retraced unless and until a majority of the electors moved an application for it or until it was considered against public interest.

Assam and Central Provinces adopted no new legislation. They continued to follow the provisions of Bengal Act V of 1872 and Act of 1873 respectively.

A review of the working of various legislations passed by the provincial government after Ripon’s resolution was made by the Government of India in 1896. Two resolutions were adopted by Lord Elgin’s government, one in October, 1896 in respect of municipal bodies and the other for local boards in August, 1897. They showed an improvement in the working of local bodies so far as their finances and especially the expenditure were concerned. The general conclusion was “that much useful work was done by them and that they had made substantial progress in the work of administration”.

Lord Curzon, who succeeded Lord Elgin in 1899 as Viceroy, was a believer in high standards of efficiency. He was not prepared to sacrifice efficiency in local administration for the sake of self-government. He believed that Indians did not possess the necessary ability to be entrusted with any considerable measure of self-government. His viceroyalty is known for excessive centralization.
In North-West Provinces and Oudh a new act was passed in 1900 to make a comprehensive provision for the organization and administration of municipalities. However, it was considered as a retrograde step in the sense that the local (provincial) government was given powers to restrain municipalities from giving effect to the election proviso. Thus, the elective principle was again given a blow.\textsuperscript{12}

Viscount Morley, who was the Secretary of State for India during 1905-10, got worried at this trend of over centralization. At his instance a Royal Commission on Decentralization was appointed on September 12, 1907 to enquire into the relations then-existing for financial and administrative purposes between the Government of India and the various provincial governments and between provincial governments and the local bodies. The Commission was expected to suggest if through decentralization those relations could be simplified and improved and if the executive power could be brought closer to local conditions.

The Commission, among other things, recommended that the municipal chairman should usually be an elected non-official. About the elective element it said that a municipal council should ordinarily contain a substantial elective majority, nominees being only a sufficient proportion to provide for due representation of minorities and official experience. The Commission was in favour of having a tripartite system for larger cities on the pattern of Bombay model, i.e. an elected chairman, a nominated executive responsible for administration and a Standing Committee. For large cities, say with a population of 1, 00,000 or upwards, the Commission felt that the form of municipal government should be somewhat different so, as to provide for
full time executive officers. Some of the other recommendations made by the Royal Commission were:

- Municipalities should be relieved of any charges they may now have to incur in respect of police, veterinary work etc.
- They should also be relieved from contributions for services of a provincial character, or for statistical and other establishments maintained in government offices.
- Municipalities should have full liberty to impose or alter taxation within the limits laid down by the municipal laws.
- Where an Act does not prescribe a maximum rate, the sanction of an outside authority should be required to make any increase in taxation.
- Similar sanction should be required where a municipality desires specially to exempt any person or class of persons from municipal taxation.
- Municipalities should have a free hand in regard to their budgets. The only check required should be with regard to maintenance of a minimum standing balance to be prescribed by the Local Government. The freedom should include the power of re-appropriation.
- Municipalities should not be subject to any orders requiring the allotment of a percentage of their revenues to any particular services, and
- Municipal councils should be able to delegate any of their administrative functions to Committees, which may include persons not on the council.
The recommendations of the Decentralization Commission were circulated to the provincial governments. Some progress was made on the lines of these proposals. The number of non-official chairmen gradually increased. In consonance with the recommendation of the Commission, the post of Health Officer in larger towns and Sanitary Inspector in smaller towns was made obligatory at the instance of Government of India. Municipal Commissioners were appointed in Ahmedabad and Surat in 1915.

In the wake of Swaraj and Swadeshi movement came Morley-Minto Reforms in 1909. The local bodies were made electoral colleges for certain seats in the provincial legislatures. The political parties organized themselves at local levels and started participating in keenly contest in local elections. However, the resources of local bodies were poor. The provincial governments also depended on the Centre, because it was the latter which controlled the resources an deserves of taxation. Under such conditions the desired development of local government institutions could not take place.

The joint report on Indian Constitution Reforms (popularly) known as Montague-Chelmsford Report), submitted in 1918, realized the importance of extension of franchise at the local level. They felt that this would help in arousing citizen’s interest in elections and in the functioning of local bodies. They were of the opinion that largest measure of responsibility should be introduced at the local level because this will provide an outlet for the energies of the Indian politicians.

The Government of India adopted a resolution on 16th May 1918 as a corollary to the Montague-Chelmsford Report. At this stage roughly one-third of the chairman of Municipalities in India were nominated officials, another
one-third were elected officials and the remaining one-third formed elected non-officials.  

With the installation of responsible governments under diarchial system in various provinces under the Act of 1919, the local self government was transferred to ministers responsible to new provincial legislatures. The ministers and the legislative councils displayed keen enthusiasm on clothing local bodies with greater powers, freeing them from official control and making them responsible to a substantially enlarged electorate. This generated enhanced activity in the local institutions. Municipal elections were keenly contested. And in wake of the recommended reforms came the spate of municipal legislations in different provinces by repealing or amending the old Acts.

A new Act of Municipalities had already come into force in U.P. in 1916. The Punjab Act of 1911 was amended in 1921 to increase the powers and independence of municipal councils, and also to lower the franchise. The municipalities were encouraged to elect non-official presidents and vice-presidents. The municipal law in Bihar and Orrisa (combined) was enacted in 1922. Earlier the Bengal Municipal Act of 1884 was in force in those two provinces. The new Act incorporated the spirit of various reforms discussed in the preceding paragraphs. Central Provinces and Assam also followed the suit.

To give effect to the principles enunciated in the 1919 Resolution, fresh legislations were passed in three Presidencies. In Madras, the Municipal Act of 1919 and District Municipalities Act of 1920 gave powers to the Councils to elect their own chairmen and frame their own budgets. The external control
was reduced to minimum. All the rare-payers, including women, were given right to vote and to seek election. However, the elective strength was raised to three fourths in 1929.

In Bombay city franchise was extended under the Act of 1922. It also removed the sex qualification for election as councilor, and gave greater power to the Municipal Corporation. Another Act passed in 1925 made the city municipalities, with a population exceeding one lakh wholly elective. In other municipalities the strength of elected members was raised to 4/5th of the total membership. Women were given right to vote and stand for election. A special provision for the representation of depressed classes was also made.¹⁵

The Indian Statutory Commission (popularly known as Simon Commission) was appointed by the British Crown in 1927 to examine the working of responsible government introduced under the Act of 1919 and to suggest steps, which should be taken to advance the system. It surveyed the developments made in the field of local government from 1920 onwards. The Commission observed.

“In every province, while a few local bodies have discharged their responsibilities with undoubted success and others have been equally conspicuous failures, the bulk lies between these extremes”.

The Commission favored appointment of professional administrators, to be left free in the details of administration, powers of punishment and correction, more by advice and encouragement, to the provincial governments, as was the case in Great Britain. As it felt the appointments to various positions in the municipalities were based on considerations other than merit. The chairman had too much power over the staff. Communal and
caste considerations came into play both in municipal politics and municipal administration. All these factors were responsible for impairing the efficiency of local bodies.

New reforms were introduced under the Government of India Act 1935. A restricted form of provincial autonomy was granted. The distinction between the reserved and transferred subjects was withdrawn. Popular governments were installed in different provinces. Indians, having now been given powers, concerned themselves with the re-organization of local self-government. Many provincial governments appointed committees to reorganize the local government. The Government of United Provinces appointed a committee under the presidency of Mr. A.G. Kher in 1938 to examine the structure and working of the existing law and machinery relating to local self-government and to recommend suitable organizational set-ups armed with adequate powers and resources. One of the major recommendations of the committee was that those municipalities which, had a population of 1/ lakhs or above and their annual income exceeded Rs. 15 Lakh per annum, should be declared as Corporations. Their powers and privileges were to be defined by the state government.  

The popular governments resigned in 1939 as a protest against the British Government’s dragging India into war without her consent. Therefore, the recommendations made by these committees could not see the light of the day until after independence.

Independence brought a new kind of activity in every sphere of public life. It opened a new chapter in the history of local government in India. The present Constitution came into force in 1950 and the local self-government
entered a new phase. The Constitution of India has allotted the local self-government to the state list of functions. Since Independence much important legislations for reshaping of local self-government have been passed in many states of India. The constitutions of local bodies were democratized by the introduction of adult suffrage and the abolition of communal representation.  

After Independence the National Government appointed a committee in 1948 known as the Local Finance Inquiry Committee, to report on ways and means for improving the financial resources of local bodies. The report came in 1951. The taxation Enquiry Commission, set up in 1953, was also baffled with this problem. The Central Government though, under the Constitution not charged with the responsibility of local government, has been the principal source of reforms in the municipal field. It is the Central Government, which has been responsible for setting up committees and commissions and other organs devoted to study the problems of local government.

The other significant committees and commissions appointed were:

1. The committee on the training of Municipal Employees, 1963;
2. The Rural Urban Relationship Committee, 1963-1966;

The Centre Council of Local Self-Government constituted by the Central Government, has also played a significant role in labouring on reforms needed in the various aspects of municipal government and administration. The Rural-Urban Relationship Committee devoted itself to both functional and financial aspects and was largely microscopic in its approach. One more report came from another committee of the council on the service conditions of municipal employees (1965-68). Then in 1985, the Central Government
appointed the National Commission on Urbanization, which gave its report in 1988. This was the first commission to study and give suggestions on all aspects of urban management.

Apart from the contributions made by the Central Government, committees were appointed in different states in order to improve the municipal organizations and administration there under. Municipal legislations have been suitably adapted from time to time keeping this end in view.

**The Seventy-Fourth Constitutional Amendment- Urban Government**

The first urban government in India was set up as early as in 1688—barely eighty-eight years after the establishment of the East India Company—the place of honour being Madras but it cannot be said that urban government has been a great success in India despite its history of over three hundred years. This is all the more surprising when we remember that distinguished nationalist leaders like Dadabhoy Nauroji, Ferozeshah Mehta, Balgangadhar Tilak, Gopal Krishna Gokhale, C. R. Bas, Subhash Chandra Bose, Jawaharlal Nehru etc. had at one time or the other served in municipal government, and second, this level of government along with the rural part was transferred by the colonial rulers into the hands of Indians under dyarchy introduced under the Government of India Act, 1919.

The reason for this primarily lay in the weakened status accorded to the urban government in India. The municipal bodies did not have adequate financial resources at their disposal to carry out their tasks. They did not have any assured existence as they could be superseded at will for indefinite periods. This meant that election to urban bodies could not be held within a specified time limit in case of supersession. There was no regularity in the
holding of elections. Nor was the relationship between the controlling state
government and municipal bodies put on a firm footing. This was particularly
the case in respect of functions and taxation powers of the urban bodies.
These weaknesses were very well known and from time to time a suggestion
was made to remedy them by enshrining urban government in the constitution
itself through an amendment. This, indeed, has been a long-standing demand
in the field of municipal reform. But the Central Government began to show
interest in this direction only since 1989. The rejuvenation of grassroots
government became the concern of the Rajiv Gandhi Government since 1989.
The Rajiv Gandhi Government set the ball rolling by holding wide ranging
consultations with the elected members of the municipalities. Three regional
sammelans (conferences) were held at Bangalore, Cuttack and Delhi during
June 1989. Earlier, there was a seminar of Municipal Officers. Separate
discussions were held with chief secretaries, ministers for local self-
government and chief ministers. The theme of an appropriate constitutional
amendment to provide a constitutional base to municipal government was
discussed in the consultative committee of Parliament relating to the Ministry
of Urban Development. On the basis of these long discussions, the Rajiv
Gandhi Government introduced the Constitution (Sixty-Fifth Amendment) Bill
in Parliament in August 1989. The Bill was passed by the Lok Sabha but not
by the upper house and thus it fell. The succeeding National Front
Government under V.P Singh introduced a revised Bill, namely the
Constitution (Seventy-Fourth Amendment) Bill, 1990 incorporating the
provisions relating to panchayats (rural local government) as well as
Municipalities. This was done in September 1990. The Bill, however, lapsed on account of the dissolution of the then Lok Sabha.\textsuperscript{18}

The P.V. Narasimha Rao Government, coming into power in 1991, drafted the Constitution (Seventy-Third Amendment) Bill, 1991 pertaining to Municipalities and introduced it in Lok Sabha in September 1991. It was passed by the Lok Sabha on December 1992 and by the upper house the same month. Following its rectification by more than half the state assemblies, it received the assent of the President on 20 April 1993 and is known as the Constitution (Seventy-Fourth Amendment) Act, 1992. This amendment, operative since April 1993, introduces a new part, namely Part IXA, in the Constitution, which deals with matters relating to urban government. The present structure and composition of the municipal government is discussed in the following pages.

There are various forms of urban local bodies existing at present in the country. These are municipal corporations, Municipalities, town area committees, notified area committees. (Cantonments are under the central Ministry of Defence.) These have now been restricted to three types: Nagar Panchayats, Municipal Councils, Municipal Corporations. The elected representatives presently form nearly 3600 municipal corporations, municipalities and nagar panchayat number 70,000.\textsuperscript{19}

A Nagar Panchayat is constituted for a transitional area. Such an area is basically rural in character, which over a period of time would develop urban characteristics. Such an urban local body would have to perform both rural and urban functions. Nagar Panchayats even now exist in some States and have been found to function satisfactorily.
Municipal Councils are constituted in smaller urban areas while for larger urban areas Municipal Corporations are constituted. Demographic and other conditions which are determining factors for constituting a particular type of Municipality differ a great deal from one State to another. It has, therefore, been left to the state governments to decide which specific type of Municipality will be constituted for each urban area. The areas for different types of urban bodies would be specified by the Governor taking into account.

- population of the area
- density of population
- revenue generated by the local body
- percentage of employment in non-agricultural activities
- the economically important and other factors.

At present, there are certain townships in which municipal services are being provided by large industrial establishments. The Governor of the concerned State may, take into account the size of such an area and the municipal services that are being (or proposed to be) provided by the industrial Township. There would then be no need for constituting a Municipality in such an urban area.²⁰

**Composition of Municipalities**

All the seats in Municipality shall be filled by direct elections, except as provided below. The territorial constituencies in a municipal area for the purpose of elections shall be divided into wards. Each seat shall represent a ward in the Municipality. Besides the seats filled by direct elections, some seats may be filled by nomination of persons, having special knowledge or experience in municipal administration. For this purpose, the state law may
specify the conditions and procedure for nomination of such persons. But the persons so nominated will not have a right to vote in the meetings of the Municipality.

Lok Sabha MPs and MLAs of the state representing constituencies which comprise wholly or partly the municipal area concerned will be members in the Municipality. Representation of higher level elected representatives does not follow uniform pattern in all the states. Haryana provides for representation of MPs and MLAs but the latter do not have the right to vote. In Madhya Pradesh and Tamil Nadu, MPs and MLAs are represented in the municipalities but have either no voting right or restricted voting rights. Andhra Pradesh, Karnataka, Rajasthan and Uttar Pradesh provide representation but voting rights. Gujarat, Maharashtra, Kerala and West Bengal provide no representation at all.²¹

**Election of Chairperson**

In order to provide more flexibility at the local level, the manner and procedure of election of the chairpersons of municipalities has been left to be specified by the state legislature. This may be either by direct election or from amongst the elected members of the municipality concerned.

**Wards Committee**

Under the present system, each Municipality is divided into wards. In the smaller and medium-sized Municipalities, the average population per ward varies from 1500 to 6000. In larger cities, however, average ward size may be fairly large ranging from a population of 30,000 to even 2 lakhs. This has led to a situation where the common citizen does not have ready access to his elected representative.
The need to reduce the distance between the electorate and the elected and to provide for increased participation of the people in the urban local bodies has been recognized. Hence, provision has been made for the constitution of Wards Committees in all Municipalities with a population of 3 lakhs or more. (There will be no bar on constituting Wards Committees for cities with a population of less than 3 lakhs.)

Two or more wards could be combined for the purpose of constituting a Wards Committee. The grouping has been left flexible to take into account the differing local conditions that may exist from city to city within a State. The composition, the territorial jurisdiction and the manner in which the seats to Wards Committees shall be filled, has been left to the State Legislature to specify law. A member of Municipality representing a Ward within the territorial area of the Wards Committee shall be a member of that Wards Committee. In other words, such a member of a Municipality will be acting as an ex-officio member of the Wards Committee.

In case a Wards Committee exists for one ward only, the Councillor representing that ward in the Municipality shall be the Chairperson of that Wards Committees. Where the Wards Committee consists of two or more wards, one of the Councillors representing such wards in the Municipality shall be elected by the members of the Wards Committee as the Chairperson of the Wards Committee.22

Other Committees

The state law may also provide constitution of Committee in addition to the Wards Committee (like Standing Committees, Zonal Committees, etc.).
The Chairperson of such Committees will have representation and voting rights in the Municipality concerned.

**Reservation of Seats**

In order to provide for adequate representation of scheduled castes and scheduled tribes (SC and ST) and of women in the municipal bodies, provisions have been made for reservation of seats. The proportion of seats to be reserved for SC/ST to the total number of seats shall be the same as the proportion of the population of SC/ST in the municipal area to the total population of that area. The reservations would be made in respect of seats to be filled by direct elections only. Not less than one-third of the total number of seats reserved for SC/ST shall be reserved for women belonging to SC/ST. This is a mandatory provision.

In respect of women, the seats shall be reserved to the extent of not less than one-third of the total number of seats. (This shall be inclusive of the seats to be reserved for women belonging to SC/ST). This reservation will apply in case of seats to be filled by direct elections only. This is also a mandatory provision. Seats so reserved for women and for SC/ST may be allotted by rotation in different constituencies in a Municipality. This is an optional provision and the State Government is free to decide on the manner of allotment of the reserved seats.²³

The State legislatures would have to make provision by law for the reservation of the office of Chairpersons in Municipalities for SC/ST and women. The extent to which reservation is to be made and the manner of such reservation will be decided by the State representation of SC/ST and
women in relation to the office of Chairpersons of Municipalities to meet the spirit of the Constitution Amendment.

There will be no bar on State legislatures making provision for reservation of seats in any Municipality or office of Chairpersons in the Municipalities in favour of any backward class of citizens. This is an optional provision.

**Elections to Municipalities**

The term of a Municipality shall be five years from the date of appointment.

The term of a Municipality shall be five years from the date appointed for its first meeting. The election to constitute a Municipality is required to be completed before the expiration of the duration of the Municipalities. Hence, the state government will have to take advance action for conducting elections to Municipalities before the tenure of five years is over.

The State law cannot make any provision for supersession or suspension of a Municipality. Further, the State legislatures will not have power to make amendments in any law which can result in supersession or dissolution of new Municipality before expiration of the normal term of five years. This provision has been made to take away the possibility of arbitrary suspension or supersession of Municipalities by the State Government or its agencies.24

The constitutional amendment provides for the constitution of state election commission. The successful conduct of local level elections which has been done twice in several states and at least once in others has demonstrated the usefulness of constitutional provisions in entrusting election
to a national and independent authority. The term of the state election commission varies from two to six years. The term is two years in Tamil Nadu and 6 years in Maharashtra. Most of the states have tenure of five years.

**Dissolution**

The State Government may decide to dissolve a Municipality before expiration of its usual term of five years. However, before taking any decision on such dissolution, the State Government would have to give the Municipality a reasonable opportunity for being heard.

If a Municipality is dissolved before the expiry of five years, the election for constituting a new Municipality would have to be completed within a period of six months from the date of dissolution. This would mean that the Municipality can remain dissolved for a maximum period of six months only.

A Municipality so constituted after dissolution will continue only for the remainder of the period for which the dissolved Municipality would have continued had it not been so dissolved. These provisions have been made with a view to dissuading State Governments from arbitrarily dissolving municipalities in a State.

**Disqualification for Membership**

Disqualifications for being a member of the Municipality have been prescribed on the lines of disqualification prescribed for being an MLA. The minimum age for being chosen as a member of a Municipality has been laid down as 21 years (as compared to the minimum age of 25 years for being chosen as an MLA).  

25
State Election Commission

Each State/Union Territory will have to constitute a State Election Commission. The superintendence, direction and control of the preparation of the electoral rolls for, and the conduct of, all elections to the Panchayats and Municipalities shall be vested in this State Election Commission. The said Commission will be headed by a State Election Commissioner appointed by the Governor of the State concerned.

The Governor of the State may determine the rules governing the conditions of service and tenure of office of the State Election Commissioner. The State Election Commissioner cannot be removed from office except in a manner similar to and on grounds similar to those by which a judge of the High Court can be removed from his office. The conditions of service of the State Election Commissioner cannot be varied to his disadvantage after his appointment. The Governor of a State would make available to the State Election Commissioner such staff as may be requested by him and which he may consider necessary for the discharge of the functions conferred on the State Election Commission.

Powers and Functions of the Municipalities

The Municipalities would be empowered with such powers and responsibilities as may be necessary to enable them to function as effective institutions of self-government. The State legislature would by law specify what powers and responsibilities would be given to the Municipalities in respect of preparation of plans for economic development and social justice and for implementation of schemes as may be entrusted to them. The legislature of a State may also, by law, provide for powers and authority to be
given to Wards Committees and other Committees to enable them to carry out the responsibilities entrusted to them.

The traditional civic functions of Municipalities are well known. However, the Constitutional Amendment envisages that Municipalities would go beyond the mere provision of civic amenities. They are expected now to play a crucial role in the preparation of plans for local development and in the implementation of development projects and programmes including those specially designed for urban poverty alleviation.

An illustrative list of functions that may be entrusted to the Municipalities has been incorporated as the Twelfth Schedule of the Constitution. This gives an idea of functions that may be entrusted to the Municipalities, and the State Legislatures would be free to choose from this list or add to this list while stipulating the functions to be performed by Municipalities.

The illustrative lists of functions that have been laid down in the Twelfth Schedule are as follows:  

- Urban planning including town planning.
- Regulation of land-use and construction of buildings.
- Planning for economic and social developments.
- Roads and bridges.
- Water supply for domestic, industrial and commercial purposes.
- Public health, sanitation, conservancy and solid waste management.
- Fire services.
Urban forestry, protection of the environment and promotion of ecological aspects.

Safeguarding the interests of weaker sections of society, including the handicapped and the mentally retarded.

Slum improvement and upgradation.

Urban poverty alleviation.

Provision of urban amenities and facilities such as parks, gardens, playgrounds.

Promotion of cultural, educational and aesthetic aspects.

Burials and burial grounds; cremations, cremation ghats/grounds and electric crematoria.

Cattle pounds; prevention of cruelty to animals.

Vital statistics including registration of births and deaths.

Public amenities including street lighting, parking lots, bus stops and public conveniences.

Regulation of slaughter houses and tanneries.

**Taxes and Finances of Municipalities**

It has been left to the legislature of a State to specify by law matters relating to imposition of taxes. Such law may specify:

- taxes, duties, fees, etc. which could be levied and collected by the Municipalities, as per the procedure to be laid down in the State law;
- taxes, duties, fees, etc. which could be levied and collected by the State Government and a share passed on to the Municipalities;
- grants-in-aid that would be given to the Municipalities from the State;
 ➢ constitution of funds for crediting and withdrawal of moneys by the Municipality.

Finance Commission

Planning based on a clear idea of the magnitude of available resources and anchored, to the extent possible, in self-generated resources is the sine qua non of responsible planning.

In order that the financial position of Municipalities is reviewed periodically, a State Finance Commission shall be constituted by the Governor of the State within one year from the commencement of the Constitution (74th Amendment) Act, and thereafter, at the expiration of every five years. This Finance Commission (which would be the same as the one constituted to review the financial position of Panchayats) will make recommendations to the Governor.

The recommendations of the Finance Commission will cover the following:

 ➢ distribution between the State Government and Municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the State;
 ➢ allocation of share of such proceeds between the Municipalities at all levels in a state;
 ➢ determination of taxes, duties, tolls and fees to be assigned or appropriated by the Municipalities;
 ➢ grants-in-aid to Municipalities from the Consolidated Fund of the State;
 ➢ measures needed to improve the financial position of the Municipalities.
The Governor would be free to refer any other matter to the Finance Commission as he may deem fit in the interest of sound financial management of the Municipalities.

The Finance Commission shall determine its procedure and it shall have such powers as are necessary for it to perform its functions and which the State Legislature may, by law, confer on it. In other words, the Commission will be free to determine its own procedure within the framework of powers as may be provided in the State law.

It will be mandatory for the Governor to lay before the State Legislature every recommendation made by the Finance Commission together with the Explanatory Memorandum on the action taken on such recommendations.

It has been made mandatory that the Central Finance Commission shall, inter alia, make specific recommendations with regard to measures that are needed to augment the resources of a State with a view to supplementing the resources of the Municipalities in the State on the basis of the recommendations made by the State Finance Commissions. This would provide a proper linkage between the finances of the local bodies, the State Governments and the Central Government.

This system would provide for a regular assessment of the financial resources of the Municipalities with reference to the increasing responsibilities thrust upon them by the pace of urbanisation and the growth in the urban economy. It would also put the devolution of resources from the states to their urban local bodies on a rational and stable footing.28
Committee for District Planning

Planning and allocation of resources at the district level for the panchayati raj institutions are normally to be done by the Zila Parishad. With regard to urban areas, municipal bodies discharge these functions within their respective jurisdictions. However, some important questions may arise, which would concern the urban-rural interface, and it may be necessary to take an overall view with regard to development of the district as a whole and decide on allocation of investments between the rural and urban institutions.

Provision has therefore been made for the constitution of a Planning Committee at the district level with a view to consolidating the plans prepared by the Panchayats and the Municipalities and preparing a development plan for the district as a whole. This is a compulsory provision and it is mandatory for the State Government to constitute a District Planning Committee in every district.

In order to impart a democratic character to such committee, it is laid down that not less than four-fifths of the total number of members of these Committees should be elected from amongst the members of the Panchayats at the district level and of the Municipalities in the district in proportion to the ratio between the rural and urban population in the district.

Other details relating to the composition of the said Committees, the manner of filling up the seats therein, functions relating to district planning to be assigned to such Committees shall be chosen, has been left to the State Legislature to decide keeping in view the local conditions.

The District Planning Committee in preparing the Draft Development Plan shall have regard to: 29
matters of common interest between the Panchayats and the Municipalities including spatial planning;

sharing of water and other physical and natural resources;

integrated development of infrastructure and environment conservation;

extent and type of available resources, whether financial or otherwise.

**Metropolitan Planning Committee**

There are 23 metropolitan agglomerations in the country, where the metropolitan area would encompass not only the main City Corporation but also a number of other local bodies both urban and rural, surrounding the main City Corporation. By the end of the century, the number of such metropolitan areas would be about 45. In order to ensure orderly development of the urbanizing fringe areas, a proper development plan of the surrounding towns and villages needs to be drawn up in association with the plan of the main city. Further, in such areas, there is, generally, a considerable amount of investment made by Central and State agencies through various development schemes. These need to be coordinated with the needs of the metropolitan areas.

It is provided in the Act that in every Metropolitan area (with a population of 10 lakhs or more), a Metropolitan Planning Committee shall be constituted for preparing a draft development plan for the Metropolitan area as a whole. This is a mandatory provision.³⁰

With a view to imparting a democratic character to the aforesaid Committees, it is laid down that not less than two-thirds of the members of such Committees should be elected by and from amongst the elected
members of the Municipalities and Chairpersons of the Panchayats in the Metropolitan area, in proportion to the ratio between the population of the Municipalities and the Panchayats in that area.

Section-II

Municipal Governments in Andhra Pradesh

Till the enactment of the Andhra Pradesh Municipalities Act, 1965, there was no uniform law governing the municipalities in the State. Historical developments in the eleven districts of the former Madras State were different from those of the nine districts of the erstwhile Hyderabad State. The students of local government know that Madras city was the first town in India to have a municipal body. The Court of Directors of the East India Company set-up a Municipal Corporation for Madras in 1687. This was revised in 1726 and 1793. In 1841 attempts were made to provide a suitable machinery to direct civic affairs when the ratepayers were entrusted with the assessment and collection of taxes in their divisions. The Acts of 1856 and 1857 further widened the scope of the corporation; the latter Act introduced a larger non-official element into the corporation.

These and later developments in the city of Madras became the pace-setters for municipalities. The municipalities in the Andhra region also were very much influenced by the course of events in the Madras Presidency. Their development prior to 1919 was slow and steady. Up to 1864 there existed rudiments of municipal administration in the shape of commissioners. Certain improvements were made and the scope of municipal administration widened a little by the Government of India Resolution of 1864 and in accordance with this the Government of Madras passed an Act in 1865. Under this Act the municipal council consisted of the magistrate, the officer of
Public Works Department and five other inhabitants appointed by the Governor-in-Council. The district magistrate was ex-officio president of the council. This Act was gradually extended to several important towns. Then came the reforms of Lord Mayo whose main concern was to give relief to the Imperial finances. Lord Mayo’s Resolution proposed to assign certain share of revenues to the provinces, and local authorities had to accept enlarged responsibilities in such matters as education and sanitation. In pursuance of this resolution, the Madras Government passed the 1871 Act, which made the election of the commissioners by the rate-payers possible.

But all this was not a significant development in the urban local government. As is known to the students of local governments, it was Lord Ripon who gave a tremendous push to the local bodies in the country. The Government of Madras passed the District Municipalities Act of 1884 which permitted the elections of three-fourths of the councillors by rate-payers and reduced the number of ex-officio members to one, namely, the Revenue Divisional Officer. The Governor-in-Council could permit the election of chairman. The council was authorized to levy taxes.

The year 1919 witnessed rapid changes in municipal administration in the State. Earlier the Royal Commission on Decentralization had proposed several new measures and in accordance with its recommendations the Districts Municipalities Act, 1920 was enacted by the Government of Madras. This Act introduced several important changes in the existing municipal set-up. Every rate-payer was given the right to vote and was also made eligible for election to the council. The elective strength of the council was not to be less than three-fourths of the total strength, the rest were to be nominated by
the government. The councils were empowered to elect their own chairmen and frame their own budgets. The rate of tax was to be fixed by each council independently. Thus, the Act introduced several democratic measures which were in consonance with the spirit of the time. The liberal dose of democracy, however, was not properly used by the municipal authorities. As a result, several Municipalities were superseded and in some other cases chairmen were removed from office by the government. By an amendment in 1933, the government sought to plug the holes and improve upon the existing setup. The main reform introduced by this amendment was the creation of the office of municipal commissioner. He was to be the head of municipal administration from now on. Instead of the chairman being the sole executive authority, as was the case under the earlier set-up, now it was to be shared by both. All the officers and servants of the council were to work under the commissioner, and he was also made responsible for implementing the resolutions of the council. This system was in vogue, with few amendments, during the War and in 1962 in the Andhra Municipalities till 1965.

The Telangana districts unlike the Andhra districts did not breathe the air of liberalism in municipal government for a long time. Being under the feudal rule, no attempts were made to develop democratic municipal institutions in these districts. Only the city of Hyderabad saw some elements of municipal administration in the 19th century in the form of city 'Kotwal' and nominated councillors. It was in the year 1932 that the Hyderabad Municipal Act was passed. By this Act several far-reaching changes were introduced in the city administration. The municipality was given the status of a corporation and the residents were given the right to elect their representatives. Out of 36
members, 13 were elected, 13 nominated to represent the Paigah (Jagir), and the remaining 10 nominated by the government. The franchise was restricted to the graduates and property owners. In financial and administrative matters, adequate powers were given to the corporation by relaxing government control. This did not, however, improve the administration of the city and later an administrator was appointed to take up the municipal administration. In 1946, the city was brought under the scope of Hyderabad Municipal and Town Committee 'A', which arrangement continued till 1951.

The District Municipalities in Hyderabad State were governed by separate legislations right from the beginning. It was the Local Cess Act of 1900, which was amended several times later, that governed the municipalities of the towns. The District or the Taluk Board was entrusted with the municipal administration of the district headquarters - town or taluk headquarters. But it was the Hyderabad Municipal and Town Committees Act (A) in 1941 that made some progress in the direction of representative municipal government. Under the Act, the government was empowered to constitute city municipalities for towns with a population of 15,000 or more and town committees for towns with a population of 5,000. There were both elected and nominated members in them. The president of the district municipality was the taluqdar and of the others the senior revenue officer. By way of generalization it can be said that the district municipalities were under the iron-heels of the revenue officers. This type of municipal administration lasted till the passage of the Hyderabad Municipal Town Committees Act, 1951.
It is this Act which introduced democratic municipal administration in the districts. The 1951 Act did away with the feudal type of municipal administration and incorporated most of the progressive features of the time. The Act provided for the election of a non-official as president of the council. An executive officer was appointed to take care of the administration of the town subject to the authority of the council. The local bodies were given the power to levy taxes. This set-up of municipal administration in the Telangana region continued until the enactment of the present integrated Act in 1965.

Features of Andhra Pradesh Municipalities Act 1965

A Council of the four municipal authorities charged with task of carrying out the provisions of the act the council is the most important body. The number of elected councilors depends on the following ratio.

Table 2.1

<table>
<thead>
<tr>
<th>S. No</th>
<th>Population</th>
<th>No. of Councillors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No exceeding 30,000</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>More than 30,000 but less than 40,000</td>
<td>24</td>
</tr>
<tr>
<td>3</td>
<td>More than 40,000 but less than 50,000</td>
<td>28</td>
</tr>
<tr>
<td>4</td>
<td>More than 50,000 but less than 1,00,000</td>
<td>32</td>
</tr>
<tr>
<td>5</td>
<td>More than 1,00,000 but less than 2,00,000</td>
<td>36</td>
</tr>
<tr>
<td>6</td>
<td>More than 2,00,000 but less than 3,00,000</td>
<td>44</td>
</tr>
<tr>
<td>7</td>
<td>Exceeding 3,00,000</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: 1965, Andhra Pradesh Municipalities Act.

- The above set criteria are liberal for those towns whose population is less than 50,000. The number of councilors increases by four for every additional 10,000 population. In case of towns whose population is between 1 lakh and 2 lakhs and those towns whose population is more
than 2 lakhs, the additional number of councillors is only four in each case.

- The duration of the council has been fixed at 5 years. Provision has been made for making MLA’s and MLC’s, who are voters in the municipal electoral rolls, eligible to become chairman or vice-chairman or members of executive committees. But they cannot participate in or vote at a meeting conveyed for consideration of no-confidence motion against chairman or Vice-chairman.

- Provision has been made in the Act for the appointment of alderman. This provision enables to secure the services of experienced persons.

- This Act made provisions for the municipality concerned.

- The office of the secretary is instituted by the government. The secretary, however, does not have the same powers as the commissioner.

- The powers of the chairman increased enormously in the new Act. He is vested with the power to refer a resolution for the reconsideration of the council. The chairman of the council who is also the chairman of the executive committee is vested with veto powers. Provision is made to pay an honorarium to the chairman.\(^{34}\)

- On the financial side, provision was made for the collection of the property tax. According to the provisions of the Act, tax for owner occupied houses will have to be assessed on the market value of the building and for rental building on the rental value or actual rents received.
The rigorous methods of control are reduced by all together elimination of the provision of super session, and municipalities now could only be dissolved.

The Government is empowered to constitute any town, village, any local area or any group of into a municipality under the provisions of the Act.

1986 Andhra Pradesh Municipalities Law (Amendment Bill)

The then prevailing municipal laws were amended. According to the amendment, the Mayor, Deputy Mayor and Municipal chairman were to be directly elected in contrary to early practice when they were elected indirectly by the councillors and corporators. The government imposed restrictions on the Mayor and Municipal Chairman. If they transgressed or misused their powers, they could be terminated from their office. It could also dissolve the corporations or the standing committee if it found fault with them with regard to their functions, use of powers etc.

The voting age was reduced from 21 to 18 years. In municipal bodies, nearly 50% of seats were reserved. Reservations were provided for the Scheduled Castes, Scheduled Tribes and Back ward classes and women candidates.

Further Photo identity system was introduced in the election for the first time in India.

Andhra Pradesh Municipal laws Amendment 1994

The Municipal laws were once again amendment in 1994 in the wake of the 74th constitutional amendment which brought far reaching changes in the urban local government. The 74th constitutional amendment Act (CAA)
passed by the parliament envisaged that in conformity with it, legislation in the states should be enacted before 31\textsuperscript{st} May, 1994 to give effect to the constitutional amendment from 1\textsuperscript{st} June, 1994.\textsuperscript{38}

The Government of Andhra Pradesh constituted a task force consisting of a senior officer dealing with subject relating to local self-government, urban planning etc, for studying the various Provisions of the 74\textsuperscript{th} Constitutional Amendment Act. The task force submitted its report in a very short time. As it did not cover all aspects of the 74\textsuperscript{th} amendment, the government constituted two working groups in October 1993 to make specific recommendations on the amendments to be brought about. These two working groups were expected to submit reports within 20 days. As there was pressure from the Central Government to pass the conformity legislation before 31\textsuperscript{st} May, 1994, the Government of A.P. introduced the bill on the 27\textsuperscript{th} Dec 1993 to amend the Municipalities and Corporations Act. The bill was referred to a select committee. It submitted its reports to the legislators in the last week of March 1994. Based on the report of the select committee, the A.P. Municipalities and corporations Act was amended. The amended act received the assent of the government on 30\textsuperscript{th} April 1994. The Andhra Pradesh Municipal laws (Amendment) Act.1994 (Act No.7\textsuperscript{th} of 1994) came into effect from 1-6-1994.\textsuperscript{39}

**Classification of Municipalities in Andhra Pradesh**

On the basis of revenue accrued every year; the municipalities in Andhra Pradesh have been classified into five categories, namely, selection grade, special grade, first Grade, second Grade and Third Grade. The following table gives latest details of classification:
Table 2.2
Classification of Municipalities in AP

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Grade</th>
<th>Income unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Third Grade Municipality</td>
<td>Income of more than one crore or less than two crores.</td>
</tr>
<tr>
<td>2.</td>
<td>Second Grade Municipality</td>
<td>Income more than two crores and less than four crores.</td>
</tr>
<tr>
<td>3.</td>
<td>First Grade Municipality</td>
<td>Income more than four crores and less than six crores.</td>
</tr>
<tr>
<td>4.</td>
<td>Special Grade Municipality</td>
<td>Income more than six crores and less than the Eight crores.</td>
</tr>
<tr>
<td>5.</td>
<td>Selection Grade Municipality</td>
<td>An annual more than eight crores and above.</td>
</tr>
</tbody>
</table>


The main aim behind the gradation of municipalities is for the appointment of specialize officers. To quote an example, it is only of the distinction that specialist officers like public health officer, municipal engineer, Town planning officer exist in all the municipalities but they are called for special names. Revenue officers are employed in special and first Grade Municipalities. In the smaller Municipalities, their counter parts are the sanitary inspector, Municipal supervisor and others who discharge the same duties as that order in bigger municipalities. The amended act in Andhra Pradesh provides for all the three types of Municipal bodies: Nagar Panchayats, Municipalities, and Municipal corporations.

The following criteria have been fixed to constitute different categories of municipal bodies:
### Table 2.3
**Criteria for classification of Municipalities**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Criteria</th>
<th>Nagar Panchayat</th>
<th>Municipal council</th>
<th>Municipal corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Population</td>
<td>25,000 to 40,000</td>
<td>Above 40,000</td>
<td>4 lakhs and above</td>
</tr>
<tr>
<td>2.</td>
<td>Density of population (in Sq. Kms.)</td>
<td>1000 and above</td>
<td>1000 and above</td>
<td>10,000 and above</td>
</tr>
<tr>
<td>3.</td>
<td>Percentage of Employment in non-agricultural activities</td>
<td>50% and above</td>
<td>60% and above</td>
<td>85% and above</td>
</tr>
<tr>
<td>4.</td>
<td>Economic Importance</td>
<td>Availability of market facilities</td>
<td>Availability of market facilities and potential for industrial</td>
<td>Availability of markets, civic infrastructure etc.</td>
</tr>
<tr>
<td>5.</td>
<td>Revenue of local body</td>
<td>Rs, 40 lakhs and above</td>
<td>Rs, 60 lakhs and above</td>
<td>Rs, 4 crores and above</td>
</tr>
</tbody>
</table>


Continuance of existing number of members elected in respect of each council until government revises such number.\(^{40}\)

### Table 2.4
**Strength of Municipal Councils**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Population range at the last census i.e. 2011</th>
<th>Number of elected members</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Less than 40,000</td>
<td>21</td>
</tr>
<tr>
<td>2.</td>
<td>40,000 to 1,00,000</td>
<td>21 plus one additional member, for every 10,000 population above 40,000</td>
</tr>
<tr>
<td>3.</td>
<td>1,00,000 to 2,00,000</td>
<td>27 plus one additional member for every 15,000 population above 1,00,000</td>
</tr>
<tr>
<td>4.</td>
<td>More than 2,00,000</td>
<td>33 plus one additional member for every 20,000 population above 2,00,000 maximum strengths, lower is 45</td>
</tr>
</tbody>
</table>

Source: Office records of Directorate of Municipal Administration, Hyderabad,

Local bodies are segregated into wards for the sake of electing, councilors to represent them in the municipal bodies according to the Municipal Act. Formed by the Government, every urban local body with a population of 40,000 or less will have a membership of 21 in the municipal council, all of whom are elected by the people of their respective wards. The
provision has been made for increasing the membership of the municipal council with every increase in population. If the population of an urban body is between 40,000 and 1 lakh, there would be 21 members for 40,000 populations and with increase by 10,000 people, one additional member will be given; similarly, cities with more than 2 lakhs population will have 33 members plus one additional member for every 20,000 population above 2 lakhs, subject to a maximum of 50 members.

As per the changes brought about in the Municipal Act of A.P, the strength of a municipal council is marginally changed based upon strength of the councils, excluding the ex-officio and co-opted members MLAs / MPs representing the constituencies of which municipality or a portion there of form part shall be ex-officio members of municipalities with voting rights.\textsuperscript{41} Rajya Sabha members registered as electors within the municipality shall be ex-officio members with voting rights.\textsuperscript{42} Persons having special knowledge or experience in Municipal Administration will be co-opted by municipal council. Their number shall be one, in the case of Nagar Panchayats, two, in the case of municipalities with the three lakhs or more population.\textsuperscript{43} One person belonging to the minorities in municipalities is to be co-opted by the municipality with voting rights.\textsuperscript{44} The method of electing the chairman of the Municipality is left to the state government’s direction. At present, in Andhra Pradesh people directly elect the Municipal Chairman.
Table 2.5
Details of Reservation system at State level

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Category</th>
<th>No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>General category</td>
<td>38</td>
</tr>
<tr>
<td>2.</td>
<td>Women general category</td>
<td>19</td>
</tr>
<tr>
<td>3.</td>
<td>BC General category</td>
<td>24</td>
</tr>
<tr>
<td>4.</td>
<td>BC Women category</td>
<td>11</td>
</tr>
<tr>
<td>5.</td>
<td>SC General category</td>
<td>6</td>
</tr>
<tr>
<td>6.</td>
<td>SC Women category</td>
<td>4</td>
</tr>
<tr>
<td>7.</td>
<td>ST Male category</td>
<td>1</td>
</tr>
<tr>
<td>8.</td>
<td>ST Women category</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Office records of Directorate of Municipal Administration, Hyderabad

From the above table, we can analyze that people representing different categories and different sections have been provided reservation and they have become Municipal chairpersons. The table reveals that representation for the SC’s and ST’s is meager whereas representation for the BC’s and women has increased considerably.

Provision also has been made as per 74th Amendment to dissolve the municipalities which are erring. However, the dissolved Municipalities must be reconstituted within six months. Personal hearing is to be given to chairperson of the Municipality before dissolution. The constituted body after dissolution will continue for the remaining period only. The legislation stresses and aspires for the democratic functioning of urban local bodies. Nevertheless, it also stresses the importance of bureaucratic element in the local bodies leading to government’s interference and control over the local bodies. Some of the powers of the chairpersons have been withdrawn and they are bestowed upon commissioners who happened to be government officials.
following changes brought about through the Act of 1994 undermined the importance and role of chairpersons in Municipality.  

The newly elected chairpersons of Municipalities and Corporations represented their grievances, related to the deprivation of powers which they enjoyed earlier and urged the government to restore the powers in the light of their direct election. Their contention is that the chairpersons under the direct election represent a constituency larger than that of an MLA. In this regard the withdrawal of the power of chairpersons is considered a retrograde step.

It was decided by the government that the state finance commission was to be constituted to examine the sharing of certain taxes duties etc. levied by the state government with the municipalities. The State Finance Commission was to examine the entire functional and financial dominance of not only the municipalities but also that of the state government. The first state Finance Commission in A.P. submitted reports to the government on 31-05-1997.  

The government in turn appointed a committee of its secretaries to study recommendations of the State Finance Commission and suggested measures for its implementation. The government also appointed a cabinet sub-committee to go through the recommendations of the State Finance Commission. After examining all the issues based on the recommendations of both the committees, namely the Committee of government secretaries and the cabinet sub-committee, the cabinet approved the criteria of devolution recommended by the State Finance Commission. An action taken report was placed on the table of the house on 29-11-1997.
While the state finance commission recommended Rs,977.16 crores to be devolved to Panchayat Raj Municipal bodies, the government accepted devolution to an extent of Rs,434.42 crores mainly relating to doubling the per capita grants, increase of pension grants to meet the pension of Panchayatraj and Municipal employees, grants for constructions of school buildings and for their maintenance, for constructions of roads and Mandal buildings and for strengthening the administrative structure of small Panchayats etc.

The First State Finance Commission in Andhra Pradesh made a total of 84 recommendations both on financial and non-financial matters. Among these, the government accepted only 54 recommendations and 19 recommendations were completely declined and 11 recommendations were accepted with some modifications. 47

The 1998-99 financial budgets incorporated some of the provisions and the recommendations to the extent of the devolution aspect by the government and the grants were released. A provision was also made in the budget for 1999 -2000 for the release of amounts. The second State Finance Commission (SFC) was constituted on 17th June 1999. A healthy relationship between the state government and the state finance commission must emerge, avoiding the existing ambiguities and complexities, so that potential resources areas for exploitation could be suggested. Further, the existing hurdles should be removed both at the bureaucrat and political level, so that it facilitates rational and reasonable allocation of resources, and also promotes a better inter-governmental relationship.

Reservation to socially deprived classes was also made and the percentage of reservations is as follows.
Reservations of seats to the SC’s and ST’s should be in proportion to the population of these categories to the total population of the municipality concerned and such seats may be allotted by rotation to different wards. One-third of the total number of seats is to be reserved for the BC’s and allotted to different wards made by rotation. One-third of the seats reserved for the SC’s ST’s and BC’s are again reserved for women of these categories. Not less than one third of the total number of seats (including) reservations for the SC and ST, BC Categories is to be reserved for women. In the process, the representation of SC’s and ST’s has come down while representation for the BC’s and Women has increased. Provision also need for the constitution of ward committees. The act provided for the constitution of such committees in municipalities whose population is 3 Lakhs and more. It was left to the discretion of the Commissioner and Directors of Municipal Administration of smaller municipalities’ whether to have such ward committees are not. The act also added another condition for disqualification. In addition to general disqualification, a person having more than two children should be disqualified for election is to be continued as member with prospective effect. In spite of numerous provisions that were incorporated into the constitution amendment Act of 1992, the municipalities in Andhra Pradesh are in an appalling condition. It was observed that the conditions in several municipalities were abysmal everywhere. Roads were full of Pot holes and they were often treated by the women folk as dumping grounds for the thrash in their houses. In the rainy season, the conditions were terrible and the roads were muddy and turned into slushy fields. The proliferation of mosquitoes and swarms of flies led to the spread of various diseases among the public.
Section-III

Guntakal Municipality

Guntakal became a third grade municipality in 1948 and comprised the revenue villages of Guntakal and Timmancherla. The first elections to the municipality were held in 1950. In 1956 it is upgraded as second grade municipality. In 1980 it further upgraded as first grade municipality. It is at present categorized as Grade-I Municipality.

Overview and Characteristics

Guntakal is a class-I town in Anantapur District. It is an important Railway Junction in Rayalaseema region, for both Broad-gauge and Meter gauge lines. It is located on the Chennai-Mumbai broad-gauge line. Many important trains pass through Guntakal Junction to places like Bangalore, Delhi, Hyderabad, Cochin, Trivandrum, Kanyakumari etc., Many goods trains pass through this station carrying iron ore up to the sea coasts National Highway (No.63) allowing large amount of vehicular traffic. The Tunga Badhra High Level Canal is passing through this town and serves as major drinking water source to the town. Guntakal Municipality has an extent of 40.87 Sp. Kms consisting of population (provisional) 1, 26,479 as per 2011 Census. The town is divided into 37 Election Wards and 23 Revenue Wards. There are 48 notified slums and 11 EWS Layouts in the town.

Location

Guntakal town is located at 15°-10’ North latitude and 17°-23’ East longitude at an altitude of 1400 MSL. It is 83 Kms away from the District Headquarters, Anantapur. Commercial towns like Adoni of Kurnool District and Bellary of Karnataka State surround it. These towns are away from Guntakal by about 60 Kms.
Commercial Importance

Guntakal Town is a commercial center as it is surrounded by a good number of villages. There are two public sector Oil distribution centers i.e., I.O.C and H.P.C. Guntakal is a center for Film Distribution business for Rayalaseema (ceded) region. The F.C.I has a warehouse godown and two groundnut oil mills under private sector.

The operations of Urban Local Bodies are governed by various provisions in the State Acts which are the fountainhead of the powers of local bodies. The sources of revenue are mandated by such provisions and their autonomy in taxation is circumscribed by these. Also, their autonomy for deciding expenditure priorities is similarly limited. Hence, it is essential to understand the provision in the state Acts regarding the revenues and expenditure powers of the Urban Local Bodies. Total Revenue refers to the sum total of income raised by the Municipal Corporation. The Municipal Corporation undertakes various activities as to provide variety of service for its citizens.

Guntakal Population -2011 Census

Guntakal is a Municipality city in district of Anantapur, Andhra Pradesh. The Guntakal city is divided into 37 wards for which elections are held every 5 years. The Guntakal Municipality has population of 126,270 of which 62,851 are males while 63,419 are females as per report released by Census India 2011.

Population of Children with age of 0-6 is 13075 which are 10.35 per cent of total population of Guntakal (M). In Guntakal Municipality, Female Sex Ratio is of 1009 against state average of 993. Moreover Child Sex Ratio in
Guntakal is around 940 compared to Andhra Pradesh state average of 939. Literacy rate of Guntakal city is 74.87 per cent higher than state average of 67.02 per cent. In Guntakal, Male literacy is around 83.29 per cent while female literacy rate is 66.59 per cent.

Guntakal Municipality has total administration over 28,781 houses to which it supplies basic amenities like water and sewerage. It is also authorize to build roads within Municipality limits and impose taxes on properties coming under its jurisdiction.

**Religion Wise Population**

Table 2.6 gives the particulars of religious distribution of population in Guntakal Municipality.

<table>
<thead>
<tr>
<th>S. No</th>
<th>Particulars</th>
<th>Per Cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Population</td>
<td>126,270</td>
</tr>
<tr>
<td>2</td>
<td>Hindu</td>
<td>71.39</td>
</tr>
<tr>
<td>3</td>
<td>Muslim</td>
<td>25.23</td>
</tr>
<tr>
<td>4</td>
<td>Christian</td>
<td>2.93</td>
</tr>
<tr>
<td>5</td>
<td>Sikh</td>
<td>0.03</td>
</tr>
<tr>
<td>6</td>
<td>Buddhist</td>
<td>0.04</td>
</tr>
<tr>
<td>7</td>
<td>Jain</td>
<td>0.15</td>
</tr>
<tr>
<td>8</td>
<td>Others</td>
<td>0.02</td>
</tr>
<tr>
<td>9</td>
<td>Not Stated</td>
<td>0.22</td>
</tr>
</tbody>
</table>

Source: Registrar General, Census of India

Most of the people living in Guntakal municipal area were the followers of Hindu religion. Around 71.39 per cent in the Guntakal town are Hindus. The population of Muslims in the city is 25.39 per cent of total population. The highest per cent of Muslim population in the districts among towns is registered in Guntakal town. Nearly 2.93 per cent of population was the followers of Christianity. The people belonging to other religions like Sikhs,
Jains, Buddhists etc together constitute less than 1 per cent of total population.

**Slums in Guntakal Municipality**

The status of slums in Guntakal Municipality is mentioned in table 2.7.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>No. of notified slums</td>
</tr>
<tr>
<td>2</td>
<td>No. of non-notified slums</td>
</tr>
<tr>
<td>3</td>
<td>Total slums</td>
</tr>
<tr>
<td>4</td>
<td>Slum population Male</td>
</tr>
<tr>
<td>5</td>
<td>Slum population Female</td>
</tr>
<tr>
<td>6</td>
<td>Total Slum population</td>
</tr>
<tr>
<td>7</td>
<td>Percentage of slum population</td>
</tr>
<tr>
<td>8</td>
<td>Percentage of BPL population</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of notified slums:</td>
</tr>
<tr>
<td>1</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>No. of non-notified slums:</td>
</tr>
<tr>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total slums:</td>
</tr>
<tr>
<td>3</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>Slum population Male:</td>
</tr>
<tr>
<td>4</td>
<td>28,240</td>
</tr>
<tr>
<td></td>
<td>Slum population Female:</td>
</tr>
<tr>
<td>5</td>
<td>28,412</td>
</tr>
<tr>
<td></td>
<td>Total Slum population:</td>
</tr>
<tr>
<td>6</td>
<td>56,652</td>
</tr>
<tr>
<td></td>
<td>Percentage of slum population:</td>
</tr>
<tr>
<td>7</td>
<td>44.87%</td>
</tr>
<tr>
<td></td>
<td>Percentage of BPL population:</td>
</tr>
<tr>
<td>8</td>
<td>96%</td>
</tr>
</tbody>
</table>


It is clear from table 2.7 that there are 48 slums in Guntakal town. All these slums are notified slums. The total population of these slums is 56,652. Among them 28,412 constituting 50.15 per cent were women and the remaining 49.85 per cent are men. The percentage of slum population to total population stood at 44.87 per cent. Among the slum population 96 per cent of population is living below poverty line (BPL).

**Political setup of Municipality**

The Guntakal town is a part of Gooty Assembly constituency. It is a part of Ananthapuramu Parliamentary Constituency (Lok Sabha). There are 37 wards in the municipality. Each ward is represented by a Councillor directly elected by the people in periodical elections. The normal term of Councillors is 5 years. Elections to the municipality have been holding on party basis. The majority party Councillors in turn elects the Chairman of Municipality. The present political setup of Guntakal Municipality is given in table2.8.
### Table 2.8

**Party Wise and Social Category Wise Elected Members of Guntakal Municipality in 2014 Elections**

<table>
<thead>
<tr>
<th>S. No</th>
<th>Ward No</th>
<th>Ward Reserved for</th>
<th>Party Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>SC</td>
<td>TDP</td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>UR</td>
<td>TDP</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>BC(W)</td>
<td>CPI</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>SC(W)</td>
<td>TDP</td>
</tr>
<tr>
<td>5</td>
<td>5</td>
<td>UR(W)</td>
<td>TDP</td>
</tr>
<tr>
<td>6</td>
<td>6</td>
<td>UR(W)</td>
<td>YSRCP</td>
</tr>
<tr>
<td>7</td>
<td>7</td>
<td>UR(W)</td>
<td>TDP</td>
</tr>
<tr>
<td>8</td>
<td>8</td>
<td>UR(W)</td>
<td>YSRCP</td>
</tr>
<tr>
<td>9</td>
<td>9</td>
<td>UR</td>
<td>TDP</td>
</tr>
<tr>
<td>10</td>
<td>10</td>
<td>BC(W)</td>
<td>TDP</td>
</tr>
<tr>
<td>11</td>
<td>11</td>
<td>UR</td>
<td>TDP</td>
</tr>
<tr>
<td>12</td>
<td>12</td>
<td>BC</td>
<td>TDP</td>
</tr>
<tr>
<td>13</td>
<td>13</td>
<td>UR</td>
<td>IND</td>
</tr>
<tr>
<td>14</td>
<td>14</td>
<td>UR(W)</td>
<td>TDP</td>
</tr>
<tr>
<td>15</td>
<td>15</td>
<td>BC</td>
<td>YSRCP</td>
</tr>
<tr>
<td>16</td>
<td>16</td>
<td>BC(W)</td>
<td>YSRCP</td>
</tr>
<tr>
<td>17</td>
<td>17</td>
<td>UR(W)</td>
<td>TDP</td>
</tr>
<tr>
<td>18</td>
<td>18</td>
<td>UR</td>
<td>TDP</td>
</tr>
<tr>
<td>19</td>
<td>19</td>
<td>SC</td>
<td>YSRCP</td>
</tr>
<tr>
<td>20</td>
<td>20</td>
<td>UR</td>
<td>TDP</td>
</tr>
<tr>
<td>21</td>
<td>21</td>
<td>UR</td>
<td>YSRCP</td>
</tr>
<tr>
<td>22</td>
<td>22</td>
<td>UR</td>
<td>TDP</td>
</tr>
<tr>
<td>23</td>
<td>23</td>
<td>BC(W)</td>
<td>TDP</td>
</tr>
<tr>
<td>24</td>
<td>24</td>
<td>UR(W)</td>
<td>TDP</td>
</tr>
<tr>
<td>25</td>
<td>25</td>
<td>BC</td>
<td>YSRCP</td>
</tr>
<tr>
<td>26</td>
<td>26</td>
<td>UR(W)</td>
<td>YSRCP</td>
</tr>
<tr>
<td>27</td>
<td>27</td>
<td>UR(W)</td>
<td>CPI</td>
</tr>
<tr>
<td>28</td>
<td>28</td>
<td>SC</td>
<td>YSRCP</td>
</tr>
<tr>
<td>29</td>
<td>29</td>
<td>BC(W)</td>
<td>YSRCP</td>
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<tr>
<td>30</td>
<td>30</td>
<td>BC</td>
<td>TDP</td>
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<tr>
<td>31</td>
<td>31</td>
<td>BC(W)</td>
<td>TDP</td>
</tr>
<tr>
<td>32</td>
<td>32</td>
<td>ST</td>
<td>YSRCP</td>
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<td>33</td>
<td>33</td>
<td>UR(W)</td>
<td>TDP</td>
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<td>34</td>
<td>34</td>
<td>BC</td>
<td>TDP</td>
</tr>
<tr>
<td>35</td>
<td>35</td>
<td>BC</td>
<td>YSRCP</td>
</tr>
<tr>
<td>36</td>
<td>36</td>
<td>SC(W)</td>
<td>TDP</td>
</tr>
<tr>
<td>37</td>
<td>37</td>
<td>UR</td>
<td>TDP</td>
</tr>
</tbody>
</table>

Source: State Election Commission, Hyderabad.

It is evident from table 2.8 that nearly 48.65 per cent of seats in Guntakal Municipality were reserved to women. Among them 27.13 per cent were reserved for women of all social categories, 16.22 per cent for Backward Class Women and the remaining 5.41 per cent were reserved for Scheduled Caste women. Only one seat is allocated to Scheduled Tribe category. With
regard to party wise analysis nearly 59.46 seats of councillors in the Guntakal municipality has gone in favour of Telugu Desam Party (TDP). The newly emerged Yuvajana Sramika and Raithu Party (YSRCP) won in 12 seats constituting 32.43 per cent of total seats. The Communist Party of India (CPI) bagged 2 seats and in the remaining one seat independent candidate won. Besides, there are two ex-officio members and 3 co-opted members in Guntakal Municipal Council.
References

5. Ibid, p.26
6. Ibid, p.26
8. Resolution of Government of India, No. 171747-759, dated 18\textsuperscript{th} May, 1882.
11. Ibid.,
32. Ibid, p.128.
33. Section 54, Andhra Pradesh Municipalities Act, 1965.

35. Ibid.

36. Ibid.


40. Section 5(2) (ii) and (iii) of Andhra Pradesh Municipal laws (Amendment) Act, 1994.

41. Ibid.


