CHAPTER – VI

SUMMARY, CONCLUSIONS AND SUGGESTIONS

Prior to enactment of 74th Constitutional Amendment Act, 1992, there was no uniform system of management of urban local bodies in the country and the municipal bodies were usually weak and ineffective on account of variety of reasons. Election process was not regular and time bound, accordingly had prolonged super-sessions and inadequate devolution of powers. The resultant impact of these conditions was inability to perform effectively as vibrant democratic units of self-government. Having regard to these inadequacies, it was considered essential that provisions relating to urban local bodies are incorporated in the Constitution particularly for:

(a) Putting the provisions for the relationship between the state government and urban local bodies in respect to functions and taxation powers as well as the arrangements for revenue sharing;

(b) Ensuring conduct of regular elections;

(c) Ensuring timely elections in case of super-sessions; and

(d) Providing adequate representation for the weaker sections like scheduled castes, scheduled tribes, other backward classes and women.

The 74th Constitution Amendment Act 1992 added new part related to urban local bodies in the Constitution to provide for three types of municipal bodies e.g., municipal corporation, municipal council and municipal board. Composition of municipalities was left to state Act, for which Rajasthan Municipalities Act 2009 made provision of direct
elections of ward members and chairperson, duration of elected municipal bodies for the period of five years and constitution of state finance commission for providing grant and share from the consolidated fund of the state. In addition the central finance commission also made provision to provide grant to all municipal bodies in the country as per laid down system

Provision was made in the central Act to entrust 18 subjects to urban local bodies, of which some of the subjects have been transferred to municipal bodies in Rajasthan. In addition, there are para-statal bodies like development authorities and urban improvement trusts which share or assist in local governance to the municipalities. Provision of urban services and maintenance of public assets has normally been the responsibility of urban local bodies. There are five municipal corporations, 13 municipal councils and 166 municipal boards in the state, though number of census cities and towns is 297 as per 2011 census.

6.1 SUMMARY:

Municipal bodies have limited financial resources, but the responsibilities entrusted to these bodies are numerous, from cleaning of cities to creation of infrastructure facilities like construction and maintenance of roads, gardens, parks, community centers, solid waste management and city waste disposal etc. All these activities require finance. In addition, the wages for staff placed in municipal bodies, remuneration to elected representatives etc account for voluminous funds, which is not possible to meet from government assistance. Financial position of municipal boards of different classes of towns is quite
miserable as own resource mobilization is quite difficult and all the development activities cannot be met from the available resources.

Urban population concentration is also varied as total urban population of the state is 23.39 percent of the state population as per 2001 census, while 57.23 percent urban population is concentrated in 18 municipal corporations and municipal council cities and remaining 166 towns have 42.77 percent of urban population. Minimum population of municipal board town is 10,000 while maximum is less than one lakh. Funding pattern of municipal bodies is dependent on urban activities like industrialization, business and trade as well as service sector activities. Similarly the potential of own resource mobilization is quite meager in smaller towns.

The elected representatives want more development activities in their area of representation, while salaries and remuneration are issues to be charged on priority basis from the available funds. Many of the municipal boards sell land for meeting the committed liabilities of salaries and remunerations. Therefore the priorities of the elected representatives are different and managing both ends remains quite tough task. Usually, the urban local bodies want government funding in sufficient quantity to meet all the activities of development and recurrent activities. State government also have to shoulder many more responsibilities and in case of resource constraints little is left for municipal bodies.

For own resource generation, the municipal bodies require government approval in case of enhancement of rates of taxes, duties, fees and cesses. Also realization from urban people is quite difficult task. There are no updated records of municipal properties which are lying
unused. The rented properties are non-remunerative in view of inadequate records. There are various municipal properties which are under litigation for decision on ownership. Cases are cited about vacant lands which are prone to encroachments leading to creation of slum areas. Most of the cities and towns have been developed without any planning and managing all the civic and infrastructure activities becomes difficult. In many cities and towns, there is meager scope for road expansion due to increase in traffic specially in inner city or town.

In many cities and towns, there was no planning for urban development in requisite manner and mushrooming of cooperative housing societies created various problems for regulation causing inadequate infrastructure, unplanned settlement and legal issues. The urban local bodies as well as other parallel organizations could not control the construction of houses in various areas in most unplanned manner, without taking approval for land use change.

In most of the urban houses the addition of commercial corner in the form of small shops is quite visible. This is in violation of planning process and contrary to Master plan of city. Need of the hour but faulty planning and paper Master plan does not consider such urges which leads to such deliberate violations. Need for commercial space in a colony in the form of commercial activities could not be regularized, which could be regular source of resource generation of municipal bodies. The state government and its agencies are not in a position to demolish such shops because of abundance of them. The consideration for regularization of such activities already done can be a major source of revenue generation. This move can also give legal sanctity of already built shops. It can also be considered in future every colony must have adequate space for such
needs so that necessities of citizens be addressed as well as legal sanctity be there.

The state government is unable to regularize residential houses constructed on agriculture or other land. In addition, all such colonies have been provided with electricity, water, road etc facilities but still having status of unregularized areas. The indecisiveness over various urban issues is matter of concern as the urban local bodies are the main sufferers. On one hand they have to provide adequate infrastructure even to these illegal units while revenue realization is not there from such units.

House tax was the most potential resource of urban local bodies, which was waived by the state government, which has created serious problem in resource generation. After reconsideration over the municipal financial condition the replacement of house tax eas done with Urban Development Tax. Though the UD tax is in existence but its actual execution could not see the light of the day. Issues remained about the coverage of it, survey of potential tax payers, realization mechanism and monitoring system.

The state government constituted fourth state finance commission for recommendation of sharing pattern of consolidated resources of state and state grant for the period of 2010-15. Similarly the state had assured the municipal bodies to reimburse the octroi duty with ten percent increase on yearly basis, but backed out with its own commitment and reduced the annual increase by 5 percent for three years. Later this position was restored without cumulative impact. Though the state government had carried out various activities for urban development, but most of the activities are implemented by parallel organizations, which do
not bother for the urban development priorities and work in their own manner. The 18 subjects to be transferred to municipal bodies could not be done. The reasons behind it can be listed as inefficiency of urban local bodies to carry out the functions. The functions which have been transferred to urban local bodies could not be managed well by them because of want of finances and skilled staff.

The municipal bodies are themselves not fully equipped to generate resources at their own under the areas specified to them. In each case, the municipal body needs sanction from state government for revision of rates not enhanced for last many years. The enforcement machinery is not fully equipped to realize the taxes, duties etc from the payers, though the municipal bodies treat various sources in their budget and remain unrealized for various reasons. The creation of infrastructure activities and maintenance of created assets remain unattended for want of funds, specially in municipal boards having meager population.

The situation of municipal bodies cannot be changed till the elected boards and bureaucratic machinery work in coordinated manner. There should be target based approach for assigning the responsibilities to the enforcement machinery for realization of the taxes, duties, cesses etc from the people who need to pay. The people of urban areas can pay their taxes etc, when the services are satisfactory and assured. If the maintenance of created assets is not carried out and streets are full of dirt and mud, people and visitors feel quite disturbed with the taxation only for the payment of salary of staff and remuneration to elected functionaries.

There are various committees formed in each municipal body but there role does not go beyond participation in meeting. The capacity
building of members of committees need to be undertaken with special emphasis of skill building and imparting of expertise on various relevant topics. In most of municipal bodies, no significant efforts are made to raise own resources for carrying out various maintenance and development activities on priority basis. The work of municipal bodies seems appropriate, when the residents of city or town are satisfied with the services available to them. There is necessity to do some work, before reaching the people for taxes.

The central and state governments have created perfect environment for functioning of municipal bodies and they should feel their responsibility to collect finances at their own to meet the requirement of urban area in the effective and appreciable manner. If the municipal bodies feel them incapable to raise own resources and expect from the state government to provide funds for their development and maintenance activities, the work could have been carried out with the departmental agencies in a better way.

The objective of decentralization enumerated in 74th constitutional amendment act is participation of people in direct way for betterment of their cities along with responsibilities of revenue creation. The bottom-up approach in planning and execution is best suited strategy for urban local bodies. The local bodies of governance need to understand the philosophy behind creation of municipal governance. The every citizen should feel closeness with these units of their city. And each of these units should generate faith of their citizens by providing better services and improved infrastructure. The design of resource sharing and resource creation in existing law seems sufficient for present day requirements but its actualization is major hurdle. For the sake of saving popularity one need
not sacrifice its efficiency and effectiveness. The initiation of taxation and its actual realization may seem painful to citizens but once credibility of institution gains momentum by providing assured service deliveries it becomes joyful. The enhanced responsibilities of urban local bodies in present global-world may require additional resources which can easily be chalked-out had there been will power.

6.2 CONCLUSIONS:

The central government had expressed their will to strengthen the municipal bodies with legal powers through the 74th Constitutional Amendment Act 1992. The state government has also enacted Rajasthan Municipalities Act 2009, after about 17 years of enactment of central act. Similar the Central Finance Commission was entrusted the responsibility of assessment of the municipal bodies in the country and make their recommendations to strengthen the urban local bodies through central funds.

Each state government was legally committed to constitute state finance commission to recommend the share of municipal bodies out of state consolidated funds. The state government also expressed its commitment to pay each municipal body, its due share in lieu of abolition of octroi duty and increase 10 percent of the reimbursable amount. Similarly, the state government also constituted Fourth State Finance Commission for recommending the municipal share out of state consolidated funds for the duration of 2010-15. The 74th Constitutional Amendment Act 1992 made it mandatory for all the state governments to constitute state finance commission for making recommendations for the duration of five years.
Funds of grant as per recommendations of central and state finance commission are deposited in municipal funds operated with the approval of the state government and the government can deduct grant to any municipal body for any financial year unilaterally. Powers of urban areas are shared in between the urban improvement trusts and development authorities other than municipalities, as these bodies are functional under direct control of the state government. Jaipur and Jodhpur Development Authorities are constituted under the chairmanship of the Minister Urban Development and Housing, while the urban improvements trusts are functional under the chairpersonship of District Collector or nominated chairperson.

Out of 18 functions identified under the central Act to be transferred to urban local bodies, the state government has retained urban planning including town planning, planning for economic and social development, roads and bridges, water supply and urban forestry, environment and ecological aspects, promotion of culture, education and aesthetic aspects. This situation shows that all functions has not been transferred to urban local bodies. There may be questions about the efficiency of these bodies to deliver the services. In addition to inadequate function transfer, the fund and functionary transfer is quite distant. The certain funds as mentioned herein before has been transferred but looking to new responsibilities it seems inadequate. The leftover functions and functionaries can be transferred with sufficient capacity building of urban local bodies. In addition with line departments for execution of various urban development functions certain parallel organizations have been created for pure urban development purposes. There is a view that such parallel organizations have deviated from their role to work as agency which was created to build capacity of ULBs, to
provide hand-holding, to work as expertise agency etc. Instead of it some of these agencies have turned themselves into a full-fledged executing agency which overshadows the urban local bodies reducing the decision making capacities of ULBs. Though work executed by these parallel agencies may be faster but participation of public in decision making process has be reduced. For example, Rajasthan Urban Infrastructure Finance and Development Corporation (RUIFDCO), which is executing the activities implemented under centrally sponsored schemes and schemes financed by external resources.

One organization City Managers Association of Rajasthan (CMAR) is providing expertise support to urban local bodies of the state through training and capacity building. The main areas of the requirement of the urban local bodies remained unattended, i.e., the technical and professional assistance in resource generation of the urban local bodies, which has not been touched.. This area is most crucial as each urban local body had its own prospects and concerns, where prototype systems of resource raising are not possible. There are, however, some common sources of revenue generation, where the problems being faced by the municipal bodies need to be sorted out, which is most important issue for the urban local bodies.

The general financial condition of most of the urban local bodies is most critical, where own resources are not feasible in view of ineffectiveness of enforcement machinery and inadequate realization mechanism. About half of the urban local bodies are struggling for survival, as the government grant is not sufficient for salaries and other recurring expenses. Usually the small municipal bodies are facing serious problem in resource generation. Keeping monthly target of collection of
money and linkages with the performance of the persons can be the one of the mode of collection of revenue. This task can be carried out, when the bills are prepared for each category of tax, duty etc and people be asked to pay by indicated date for avoiding penalty over the given amount. There are various modes for collection of dues, where it is necessary to ensure that no amount is left uncollected within the financial year. Developing habit of timely payment of bills is most critical issue and beginning should be done with tough measures as well as motivation of the people. The first aspect can be handled by enforcement machinery, while another task is taken up by elected representatives to manage the situation effectively.

The Directorate of Local Bodies need to be given the responsibility through its divisional office to attend the resource raising issues and help in befitting manner to make the urban local bodies prosperous so that they can handle the development activities and maintain the created assets. Presently the asset records of various urban local bodies are not updated and various property issues are under litigation, which need to be attended by these offices. The attitude of the officers and officials at the urban local bodies should be supportive rather than creating hurdles in their work through various punitive measures. The urban local bodies are not fully equipped to shoulder their responsibilities effectively. Hence these divisional offices should bridge the gaps by providing valuable guidance.

There is urgent need to think over the issue, whether the present situation of helplessness of urban local bodies should continue or make these institutions capable to become effective instrument of urban development. Most of the towns are presently in such a miserable
condition that urban people of such areas are surviving in worst situation than urban slums. There is necessity to understand the problems faced by these institutions and try to help urban local bodies in effective manner. The supportive attitude of expertise agencies can be helpful in tackling most of the urban problems in effective manner. Shoudering the responsibility of urban development to municipal bodies is not sufficient but the state has to guide them in befitted manner to come out from the tag of ineffective and incapable institutions.

6.3 SUGGESTIONS:

The Government of India had carried out its task to provide definite tasks and functions to be handled by urban local bodies in the country. Many urban local bodies have become most capable to handle the urban development in effective manner. The government needs to consider transfer of all the assigned functions mentioned in the twelfth schedule of the Constitution as democratic decentralization process is necessary for effective and timely development of the country. The state government is well aware that the impact of globalization and liberalization wants the devolution of powers and responsibilities for accelerated development of the country.

The urban local bodies should be given their constitutional responsibilities in the best interest of the state and people of the state. It is well known that the existing contribution of urban areas in gross state domestic product is more than 60 percent and this would increase to further levels. Secondary and tertiary sector of economy is most concentrated in urban areas which have shown rapid growth in last couple of years in comparison with primary sector. The agriculture and allied activities clubbed in primary sector is mostly concentrated in rural areas.
have shown slow growth. The urban area being the engines of modern day economy needs better track to run on.

The trends of globalization has brought elements of developed societies in our cities. The global village has caused cultural mixing in the form of music, dance, eating habits, wearings, cinema, technological innovations, science etc. The global interaction has reached its peak after Internet revolution specially after arrival of social media. It has also affected the business patterns in the cities, type of businesses and method of business also get changed. The wave of LPG (Liberalization, Privatization and Globalization) has ushered in new era in Urban India with enhanced expectations from institutions. The quality of urban services in developed countries and pictures of glittering cities of western world created unprecedented expectations from Urban Institutions. The demand is more from young generation specially budding entrepreneurs. The lack of adequate infrastructure in cities leads to frustrations in the minds of LPG generation. When individual is connected to world citizens and he has turned himself in the form of global citizen the aspirations about city also is on rise.In the backdrop of this wave the urban local bodies could not prepare themselves for better service deliveries and improved infrastructure. The reasons for this can be summarized in two terms - Lack of resources and lack of skilled manpower. Issue of lack of resources has been discussed at length. Looking to the new responsibilities and emphasis on quality service provision caused demand for extra resources in ULBs. This extra resource may come from government in the form of different grants or actualization of self resources by ULB. The resource generation has been discussed here in below at length.
The urban local bodies existed before 74th constitutional amendment act but in most disorganized manner. There was no legal authority on certain issues. The fund and functions were limited. The decentralization process got constitutional validity after said amendment. There remains certain limitations and drawbacks even now. The transfer of all 18 functions to urban local bodies is the prominent one. The issue of Capacity of these bodies to handle these functions effectively is most talked about. The efficiency of elected board and its dedication is required for effective service delivery in city. The human resource deployed in municipal body is also a major concern. Each ULB have certain staff which is of its own and rarely transferred out of body. Only chief Municipal officer gets posted by state government and get frequently transferred. The capacity of human resource to understand the urban issues and its solution is key for better urban governance. The skill upgradation of existing staff and inflow of new well qualified staff may create new energy in urban bodies. In addition to this Chief Municipal Officer should be Expert in urban affairs. The regular training and exposure visits followed by feedback and monitoring mechanism is essential for generation of better environment in these municipal bodies. This is also required for elected representatives of municipal board for better understanding of urban issues and/or better policy decisions.

6.3.1 Need for Alternate Resource Mobilization:

Alternative resources are necessary for urban local bodies as the state grants and own resources are not sufficient for fulfillment of responsibilities, which are numerous, associated with the aspirations of the people. The urban areas of the state have potential of accelerated development, employment generation and resource generation by
provision of quick and assured services to the people. The state and central governments are making provision of finances for municipal bodies as per recommendations of their respective finance commissions. In addition, the state is required to pay municipal bodies share in taxes, duties, cesses, fees etc. collected by the state agencies and provide respective portion to municipal bodies.

In addition, various centrally sponsored schemes are implemented in urban areas, where agency of execution may be other than urban local bodies, but some development activities or services are provided to the urban area and people. There are various identified schemes to be transferred to urban local bodies, which are still retained by the state for administrative reasons. In addition, inconsistency in type of major tax entrusted to ULB is causing insecurity. House tax is the burning example of such nature, which was most potential source of resources of urban local bodies which was abolished and later replaced with Urban Development Tax. Urban local bodies provide facilities to all the residents of urban area without any discrimination and accordingly all the residents are expected to share the responsibility to compensate the expenditure not equally but according to their paying capacity. Similar situation of octroi duty, which has been eliminated by the state government while switching over to value added tax in lieu of sales tax. The Government of India has assured all the states to repay their loss adding 10 percent funds each year. The introduction of VAT caused abolition of Octroi with the objective of smoothening the commerce in country. And to remove the multiple taxes in various states. Octroi was abolished on August 1, 1998. It was decided to provide grant-in-lieu of octroi to ULBs on the basis of income accrued in the year 1997-98 under octroi plus 10% increment each year. In the year 2001-02 to 2003-04 only
5% increment was given. Later it was restored without paying the dues of this period.

Expenses of urban local bodies is increasing tremendously, where the committed liability of staff, remuneration of elected representatives and maintenance and running of vehicles are unable to meet from reimbursement against octroi duty. The situation of municipal bodies is quite miserable where committed liabilities are met by sale of municipal land. It is difficult to adjudge the situation of such municipal bodies, when the municipal lands are exhausted completely. On one hand there is limited spectrum of taxes entrusted to ULBs and on the other hand whatever is given to ULBs, they are unable to fully realize it. The rates of taxes, duty, fees can be revised after approval of state government. So there seems huge gap between resource availability and requirement of finance for ULBs. The enhanced demand for better service deliveries and improved infrastructure worsened the financial kitty of ULBs. This sandwich position of ULBs led them to search for Alternate Resources which can be mobilized for effective functioning of them.

6.3.2 Potential of Alternate Resource Mobilization:

The activities selected under the alternate resource mobilization of urban local bodies are largely taken on the basis of available potential of the cities and towns. In case the state government accepts all the items proposed under alternate resource mobilization, there would be assured availability of finance to each urban local body more than the combined resources received from state government as grant, reimbursement against octroi and own resources of municipal bodies. Each of the new
resource generation option can be tried starting with the option of least resistance.

There is immense necessity of sustainable resource accrual to municipal bodies and there would be no problem to the state government in accepting these issues for prosperity of urban local bodies. The alternate resource mobilization is the basic need in the present circumstances, where the state government is unable to support beyond limit to urban local bodies in view of resource crunch. On the other side, taxes and duties entrusted to ULBs, are not possible to revive in short period of time because of popular resistance.

All the items covered under the alternate resource mobilization, which have vast potential of future growth automatically as urbanization trend would accelerate in the state much faster than the past. Presently municipal corporation cities comprise of approximately 50 percent of district population, which would increase further in view of accelerated industrial, business, trade and other service related activities. Beginning can be made with few activities under alternate resource mobilization, later on more avenues are likely to come forward in view of new urban activities. The infrastructure sector is the prospecting activity for growth of various urban activities, where vast potential emerges and increases very fast. Industrialization activities intensify in the areas having basic amenities for industrial growth. Various ancillary industrial activities start coming up making renewed potential for business and trade.

Looking to the limitations of traditional resources the alternate resource generation is viable and sustainable option. The most of such new proposals are directly linked with growth of urbanization. More urbanization and industrialization will lead to more financial accrual to
ULBs. The underneath potential of such options is huge which can be tapped.

6.3.3 Scope of Alternate Resource Mobilization:

The alternate resources have significant scope of increase, if the urban local bodies wants to function in the manner defined in the 74th Constitutional Amendment Act 1992 in terms of functions and responsibilities. The municipal bodies have been identified clearly in terms of their activities of execution and provision of essential services to the people. All these activities require finance to create infrastructure and civic amenities. It is also true that urban people get better services and facilities for functioning in effective manner. All the facilities required to the people are available at the reasonable distance and various facilities are provided inside the house, for which the rural people have to struggle.

The urban local bodies have right to charge tax, duties, fees and cesses in lieu of services to the people and society. The urban areas have various recreation centers of varied nature created by central and state government as well as private entrepreneurs. All the activities in urban areas should be free from pollution, having concern for environmental degradation and maintaining cleanness to give picture of ideal city. People visiting these areas should appreciate the urban management by municipal authorities. Even the suggested modes of alternate resources are not pinching to the people in terms of their bearing capacity in comparison to the services provided to the people.

The scope of alternate resource mobilization increases with the development as people want more and more facilities to lead better life. Resources would increase in terms of number and volume with the
process of development. The per capita income of urban people is significantly higher in comparison to rural people and with provision of development, various new avenues are created providing additional employment avenues to the people. At such juncture, there is necessity to create condition of systematic management of cities and towns. For this purpose it is essential to control growth of slums and similar conditions in different parts of urban areas, which may become further problematic.

With increase in per-capita income paying capacity of the people increases and the burden of taxes remains not very much pinching. The tends of urbanization seems to be increasing in future. The study of patterns in developed countries shows such trend. Migration from rural area to urban area is major component of Urbanization. With limited resources in hand cities would not be able to face such inflows. With urbanization and faster development new sectors would emerge. The periphery of rural and urban called sub-urban area will be potential area for growth activities. This zone may have scope of advanced agriculture and horticultural activities. The growth of various new industries will also create scope for additional resources. The increment in per capita income will be a cushion for increment in rates of resource options with ULBs. The advancements in technology may create burden into boons. For example, Solid Waste can be converted into Source of Energy, Sewarage can be converted into Bio-fertilizer, Carcass can be used in non-edible oils, polluting industries with technological intervention may become revenue source via Carbon Trading. So there remains good scope for alternate resource mobilization.
6.3.4 Limitations of Alternate Resource Mobilization:


The popular environment in democratic societies is governed by criticism of any effort which have its bearing on public despite it being in the larger interest of public and institution. Every effort to raise funds is criticized by the section of people citing reasons of popular feelings. This can be overcome by generation of faith in institution by assurance of better services and its actual delivery. The credibility of institution play very important role for generating trust in public.

The realization mechanism in urban local bodies is not perfect as of now. The vacancy of assessors and related staff leads vaccum on the front of survey of payees and its assessment. This can be tackled by suitable amendments in rules and outsourcing. This model can be worked on the basis of revenue sharing pattern with outsourcing firm. The resource generation is possible when the firm is able to handle the task efficiently.

It is essential that tenders for contractual work in various activities should be prepared in the manner that contractor should continue to pay the municipal body amount as per estimates of work and this can be ideal form of collection of sizeable funds for the municipal bodies. In case of solid waste and city waste, the municipal body may charge from the contractor certain share of the estimated cost of byproducts like manure etc. This is the best option, as municipal bodies need not to indulge in total quantity prepared and forwarded for sale etc. Similar arrangements
with modification can be made with regard to parking, SWM, Sewarage, property tax etc. Alternatively the whole process from survey, maintenance of datas, serving of notices, realization of revenue and its sharing with ULB can be outsourced after suitable amendments in rules. This process can be cross-checked and monitored by the officials of ULBs along with suitable intervention of technology.

ULBs lack expertise in the field of revenue generation. This issue can be redressed by the hand holding support from state agencies like CMAR, DLB etc. At the divisional level one team of experts can be deputed at DDR level to foresee and guide the ULBs in execution of works. At the level of Directorate of local bodies experts of different specified fields can be deployed to guide super-speciality areas of revenue generation.

The efforts once taken need to be sustained. For this skill upgradation of municipal staff along with database updation is required. Periodical review of execution need to be monitored at state and ULB level. The legal framework should be in such a way that to undo the efforts may not be possible. This can also be linked with execution of certain development works. The involvement of Technology like GPS system, database formation, self-assessment facility, online deposition of charges etc can be introduced for people friendly system which is full proof against leakage. The introduction of technology may provide hassle free environment for tax-payer as well as perfect recovery for ULBs.

6.3.5 Suggestions for Raising Own Resources of ULBs:

Basically the municipal bodies are dependent over the state government over all the issues of its own power. The urban local bodies
can increase the rates of existing taxes, duties etc with the approval of the state government. This is main hurdle in resource generation of urban local bodies. In most of the cases, the state government decides every issue related to municipalities keeping in the interest of the various situations.

There are various problems in raising the own resources of urban local bodies, specially municipal bodies of small towns. In most of such municipal bodies it is difficult to pay salary payments of the staff. Funds received from state government is quite meager and this also is subject to various riders in terms of use for specific activities. The components of various finance commissions also mandates linkage of certain funds for specific activities. This is done with the objectives that ULB may not waste precious fund on wasteful activities. In such a situation, small municipal bodies cannot manage even repair and maintenance of created assets. The government needs to patronize the urban local bodies to assist in mobilization of resources and provide all possible help.

There are some of the spheres of own resource mobilization of urban local bodies, which they are entitled to manage. There is necessity to enlarge the scope of all these components, with suitable measures to streamline for wider coverage for making these institutions financially viable to shoulder their responsibilities entrusted by the Constitution of India. The suggestions are made for bringing larger group of urban population to charge tax rather than exempting all the eligible persons to gain cheap popularity. The some of the existing provisions along with new suggestions are described below which can be done at ULB level.
(a) **Property Tax**

All the urban people holding property of all kinds within the urban limits should be allowed to charge tax by municipal bodies. The house tax has been exempted by the state government and later replaced with UD Tax. Similarly, every property in urban area, may be residential, commercial, business, trading etc should be brought in the orbit of property tax.

Urban Development Tax was started as a replacement for House Tax. But there remained many constraints for effective realization and implementation of it.

In present UD Tax system residential units upto 300 square yard are exempted. Present system permits calculation of tax based upon value of the property. It can be simplified based upon unit area valuation method instead of complicated value of property based formula.

For perfect recovery the realization can be made on PPP method/sharing of certain percentage of recovery with agency who recovers. In law amendments can be made of that effect. Present law requires assessor of ULB to assess and recover. Looking to inadequacy of assessors and large expansion of potential tax-payers this method can be tried. Mechanism for this can be worked out. If PPP method is not considered than recovery can be made after tying up with electricity bills as amount outstanding under Urban Development Tax can be added in installments with electricity bills.
(b) **Commercial Use of Residential Areas:**

Houses in urban areas are permitted for residential use, where spare area can be used for rental purposes. The provision for charging UD tax under differential rates has already been suggested. There is usual practice to construct shop in residential area but such activities are not regularized by the government. The municipal bodies need to be permitted to regularize the shops. The municipal bodies need to be permitted for regularization of such shops at differential rates used for self-employment and given on rent to others. This is one time income source for municipal bodies but they can charge tax on such houses for running commercial activity on regular basis. This would become regular source of income.

(c) **Sale of Land Proceeds**

Lands of various sizes and of different land use categories remain available for sale with the urban local bodies. Usually sale of such lands is carried out for meeting the financial requirements of urban local bodies. It is necessary to sale all available land to different users and before initiating sale process, the authorities need to ascertain the existing market value of such land under specific categories. The municipal body is entitled to allot or regularize the land, which is not earmarked by the state government for any specific use.

The Land disposal rules 1974 specifies the procedure for auction, allotment and regularization of land. The land which is vested in municipal bodies can be categorized as-1. Abaadi land—which is in the name of municipal bodies and is inhabited since inception of conglomerate of urban area. Earlier it might have been with Gram
Panchayats. Houses on such land is given Pattas/lease under State Grant Act. 2. Sivai Chak land-This is normally vested with Revenue authorities of state government. Recently State government of Rajasthan has directed to transfer all such lands within municipal limit to concerned Urban local body. In state all such land have been transferred to concerned municipal body. 3. Land vested due to Conversion Process-The conversion of agriculture land to non-agriculture process is done by 90-B section of Land Revenue Act. Recently this section has been changed to 90-A. Law mandates to allot converted land to its title holder in non-agriculture form with deposition of certain amount. 4. Land liberated from Slum-improvement programmes

The Sivai-chak land and land received to ULB through various means, be vested in municipalities and should be utilized properly. ULB should have comprehensive utilization plan keeping in mind Master-plan of city. This land can either be used for public utility purpose or should be disposed by way of auction for getting revenue and providing it for various developmental activities to stake holders. Because of mass transfer of such land from revenue department to ULBs without its Utilization plan it is becoming point of temptation for encroachers. The protection of such vast tracts of valuable land which is biggest asset of ULB should be the priority. This can be done in the form of Land-Bank by fencing all of it in blocs. The encroachment in urban areas is quite rampant because of lack of adequate regulation, lack of regulatory machinery & infrastructure. This land bank will work as a cushion against adverse financial situation of ULB.
(d) **Rental Income from Municipal Properties:**

Various properties of municipal bodies were rented many years ago and still in possession of the same owners. The amount of revenue and its recovery mechanism is still like it was at the time of initiation. The rental income remained stagnant in total duration and various properties are under litigation in view of lack of proper records available with municipal bodies for justifying its claim. The persons took some properties on rent might have expired or subletted the property to other persons with or without the knowledge or consent of the municipal body. Various laws enables the municipal bodies to enhance rent suitably in cases where the properties remained with the same owner.

In case of transfer of rented property to other person, the municipal body can get it vacated through legal notice as such possession is totally illegal and can be vacated with prior notice. Municipal bodies need to take stock of all its properties specially vacant land liable to be encroached by various stakeholders through unauthorized means. In many cases the municipal bodies have no long term plan for use of such vacant land. Master plans of cities have been prepared. It is worth while to use every land in gainful manner to earn substantial money rather than disposal for meeting the money requirements of municipal bodies.

Looking to the financial crunch of ULBs the government has issued directions to all district collectors recently to transfer all eligible government land in urban area to concerned ULB. In most of the cases it has been done. The ULB need to properly chalk-out plan for systematic development of such land so that it can get revenue. The issue of encroachment on municipal land is prime concern for which suitable action should be taken. Provision for fencing of all vacant municipal land
needs to be done. This can be linked with creation of land bank in municipality. Unless the fencing is done with proper documentation of municipal land this potential resource may get encroached with no return to ULB. And in future such encroachment leads to creation of slums. So there is need for Creation of Land Bank, Fencing of such land, creation of documentation of property rented by ULB and optimum utilization with proper planning of both land & property.

(e) Advertisement Tax

Advertisement tax in the present is very small part of municipal resources. This tax is applicable on hoardings fixed by various companies at various locations in the city or town. The municipal bodies need to be permitted to fix the locations where hoardings can be fixed and any company intended to use the space be allowed after payment of tax of respective location. The advertisement tax should have coverage of the advertisement placed on electric poles, telephone poles, walls of various buildings, bridges etc. In addition, the advertisements published in electronic and print media should also be brought under the coverage of state and municipal tax.

The advertisement is the main source of marketing of various commodities to customers. Various programmes on television get voluminous earning through advertisements. This is most potential component of resource generation and urban local bodies should be benefited with advertisement tax along with the state government. There is necessity to cover all the untapped areas of advertisements. Even the boards of any professional, commercial, business activity fixed on any building or painted meant for publicity should be brought in the coverage
zone of advertisement tax. There should be penalty clause over the advertisers hiding payment of tax to government and municipal bodies.

There is enactment of state relating to this issue. The Defacement of property (prohibition) Act mandates that nobody in municipal area can deface public view in the form of boards, hoardings, posters or in any other form without permission. There is penal provisions for violation of this. The Urban Local Bodies should execute this legislation effectively so that advertizing agency and other concerned may approach under law for permission to erect hoardings and boards on notified places.

(e) License Fees

Various activities within the urban limit are possible with the permission of municipal body and there is provision to issue license by charging specified fees, fixed by the state government from time to time. Usually issue of license is permitted to municipal bodies in case of eatables, preparation and sale of sweets and other preparations. The area of issuance of license should be enhanced to all business, processing activities, shops activities within the urban limits. The municipal team must be entitled to adjudge the quality of the product sold unbranded. The license fees need to be increased to make in significant source of resource mobilization. In case of any complaint in quality of product, the municipal body should take sample and cancel the license in case found guilty. There should be power of penalty with suitable authority.

In case of low license fees, person found guilty closes the activity by earlier name and restarts with other name. If the license fees are quite substantial, the defaulter would fear from any foul play and heavy penalty
imposition power would discourage illicit activities in processing and sale of adulterated commodities.

High license fees, regular check up of quality of goods, imposing high penalty and lodging case in designated court are the means to regulate the quality sale within urban limit. This manner will enhance the quality in services as well as revenue of urban local bodies.

(f) Sewarage charges/water charges:

Water charges are collected usually by Public Health Engineering Department in all the cities and towns. The municipal bodies have installed tube wells in some of the localities of urban areas, where department has not managed water supply. Usually public health engineering department provides water to urban areas for all needs, where main source of water availability is ground water, but in some areas, the water is provided through dams, canals or lift canal systems as per feasibility. The department is solely responsible for digging and installation of tube wells, laying pipe line for collection in tanks, purification of water, laying pipelines up to users and charge water rates as fixed by the state government from time to time.

The municipal water supply is limited to some locations, where water charges are collected as per rates fixed by the respective municipal body with the approval of the state government. In cases, where sewerage lines have been materialized in some of the urban areas partially or completely, sewerage charges are collected under the water bills and sewerage charges are roughly half of the water rates. This amount is transferred to respective municipal bodies as per terms fixed by the state government. In water rates charged by public health engineering
department, there is provision to mention water charges borne by the state government, which is evident that water rates charged from users are subsidized to significant extent.

This is policy issue of the state government of providing subsidy to users as the water supply is managed by government department and no profit or loss issue is considered in the task. The issue of subsidy is relevant to municipal bodies as the amount charged as sewerage charges on subsidized rates, which is quite low to meet the requirement of municipal bodies in areas where sewerage system is functional.

In case the state government wants to continue the subsidy in water rates, as prevalent, at least the sewerage charges be collected on the total amount i.e., water rates being charged from consumer and subsidy component shown in the bill. This is necessary in view of cost escalation of maintenance, collection, transportation and disposal of solid waste. The state government is capable to make subsidized arrangement of water supply but the municipal bodies are not in a position to bear the loss. This issue needs attention at policy level, as municipalities have to sacrifice the development activities, which could have been possible in case the total funds of sewerage are received to municipal bodies.

In case the government desires to hand over total water supply arrangement to municipal body to honour the functional responsibility of municipal bodies, the rates of water supply may be enhanced to the feasible extent. The Constitution mandates to transfer function of Urban water supply to urban local bodies. In Rajasthan, Takhatgarh municipality does this work since very long. The water supply function transfer can be thought of with reference to certain areas where water supply is assured in the beginning.
The Sewarage charges is collected along with water bills in areas where sewarge network is established. But timely transfer of sewarge charges to ULB from PHED is major issue. Usually this amount get adjusted against PSP installments done by ULB. So perfect recovery and timely release is essential for this resource realization.

(g) Miscellaneous Fees:

The activities under this category include issue of birth and death certificates to the applicants having proper records appended. Issue of such certificates is legally authorized to urban local bodies in cities and towns. In 2009 marriage registration has been made compulsory by the state government and entrusted the responsibility to respective municipal bodies in urban areas. Registration of birth and death is necessary for meeting various formalities and similarly the issue of marriage registration. These services are part of municipal assignments under respective legal conditions and municipal bodies are required to manage these activities. The fees charged for various services are nominal and does not serve any purpose of resource mobilization of urban local bodies.

The own resources in the existing form are quite meager to meet the financial requirements of municipal bodies, unless the state government enlarges the scope and coverage of various activities under the orbit of resource collection to substantial extent. The responsibilities given to municipal bodies are unique in nature specially in respect of cleaning, solid waste and other waste material management in suitable manner. It is the responsibility of the state government to rationalize the municipal resources in suggested manner as all services and facilities required by urban people need resources. In addition the development
activities and maintenance are the most critical aspects to meet the present and future requirement of urban areas.

(h) Parking System:

The parking system is necessary in view of accelerated increase of two wheelers and four wheelers in urban areas. In addition to railway station and bus terminals, parking needs are necessary in hospitals, government offices, business houses, marketing centers and even in multi-storied residential areas. For this purpose suitable site is to be provided by municipal body and private agency engaged may construct sheds, fencing, multi-storied manual or mechanized parking system. Under this system, the municipal body would charge lease money on annual basis and annual fees from the agency. Even in smaller town because of systematic parking system municipal body would get assured source of income.

(i) Solid Waste Management:

Solid waste is the unwanted or useless solid materials generated from combined residential, industrial and commercial activities in a given area. It may be categorized according to its origin (domestic, industrial, commercial, construction or institutional); according to its contents (organic material, glass, metal, plastic paper etc); or according to hazard potential (toxic, non-toxin, flammable, radioactive, infectious etc). Management of solid waste reduces or eliminates adverse impacts on the environment and human health and supports economic development and improved quality of life. A number of processes are involved in effectively managing waste for a municipality. These include monitoring, collection, transport, processing, recycling and disposal.
The beneficial use of solid waste material can be categorized into two parts. 1. Generation of Energy and 2. Creation of Bio-fertilizers. Presently the burden of removal of solid waste lies with municipal bodies which leads to depletion of financial kitty of ULBs. Since in present system no return is received by disposal of solid waste. The mechanism of solid waste disposal is also not scientific. After state level intervention for adoption of scientific method for disposal of solid waste this avenue can be utilized for resource generation. In this way burden can be turned into boom.

(k) Forestry Management in Urban Areas:

Forestry in urban areas is the task to be handled by municipal bodies, but in Rajasthan, this task is carried out by state forest department. In dense city areas, some trees are surviving but no new plantation is possible due to non-availability of land at roadside. The trees raised in earlier years were vanished due to widening of roads. The plantation activities can be carried out in dense city areas on dividers of roads and at all feasible roadsides. In outer areas of the city plantation is possible on road dividers, road sides and also people can be encouraged to raise trees outside their houses. Plantation at all feasible sites is necessary and helpful in decreasing the urban pollution to substantial extent.

The financial resource generation from forestry in municipal area can be linked from Raising of nurseries, floriculture, horticulture, utilization of long tracts of land for production of useful farm produces
etc. Such works can be given on contact basis on certain terms to private players with revenue sharing model.

(I) **Certification of Organic Produce:**

The food grains, vegetables and other agro-produce prepared with use of bio-fertilizers and bio-pesticides are certified by certification agency of the state. For this purpose, the farmer has to fill in the form indicating the crop variety and area sown. Such produce is chemical free and fit for export in developed countries on the basis of certificate. The cost of such produce is more than crop varieties produced with the help of chemical fertilizers and pesticides. The municipal body needs to create one compartment in urban mandi, where agriculture produce of different types arrive for sale. The certificate is helpful in sale of crop yield at higher rates.

The municipal bodies would receive share in such Certification charges. Though the share of such charges may be meager initially but the source of income would increase in due course of time, when the bio-fertilizers would be available to large number of farmers. The higher yield and higher rates for organic farm products would lead demand for easy and simplified certification. The beginning of the funds flow to municipal bodies would be slow in the beginning but demonstration impact of higher rates and yield would attract farmers to use bio-fertilizers in all the agriculture produce in due course of time. There are various agro-produce, which can be exported on the basis of certification. This process will revolutionalize the agriculture sector as well as financial health of municipal bodies.
(m) Treatment of Chemical and Contaminated Exhausts:

Various factories and dyeing units functional in cities emit various chemical and contaminated contents in drainage system. The water and land along long distances of such drainage systems become degraded. Water not fit for human consumption and produce of such lands contains most poisonous impact. The studies reveal that huge stretches of land and water sources alongside of these drainage courses are most severely affected with such problem. The land and water on both the sides of the drainage systems become polluted with the impact. The industrial units are required to exhaust water in drains after treatment and contaminated contents should remain in the exhaust material. Municipal bodies are empowered to impose penalty over such units but recovery of such penalty is not possible for various reasons.

There is urgent necessity to take remedial measures and state government can associate entrepreneurs to construct treatment plant on the land provided by municipal body. The state government needs to issue orders of entrusting the task to one or more contractors having expertise in treatment of contaminated water. If the water flown through drains is free from all contaminations, the surrounding area would be ultimate beneficiary. It would become mandatory for all industrial units to pay charges of treatment at the rates fixed by the state government.

The funds collected through such arrangement are to be equally shared by entrepreneur engaged in the task and urban local body. The environment department and pollution control board can provide expertise support to the assigned agency if it is necessary and authorized to check the status water flown into drains after treatment. If the treatment process is not completely as per norms, the agency entrusted
the task should be warned at the first instance and its authorization can be cancelled if the task is unsatisfactory. All the industrial units would abide such instructions as no industrial unit can defy such order of payment and take the risk of closing down of industrial unit. The state government need to ensure municipal earning in such contract.

(n) **Entry Tax in Cities, Religious and Tourist Places:**

Every day thousands of persons visit cities and towns for various reasons and return after completing their task. During the process of stay in the city, they use civic facilities and throw various remains on road. People visiting the cities and towns do not bother for creating unclean situation through their various acts. It is not possible to clean the city more than one time with existing resources and such acts of the people create unclean environment at most of the sites. Though throwing of used or waste material on roads is liable to penalty, but municipal bodies have no such arrangement to enforce such penalties over the people creating problems of various nature. Urinals of common use are most ugly and polluted due to improper cleaning and maintenance.

For maintaining assured cleanliness in the city it is essential to charge from every visitor to each city through various existing modes and municipal bodies are given their share on monthly basis. For collection of entry tax, the railways, road transport corporation, private bus operators can be requested to collect the entry tax through their ticket and provide that money to respective municipal body on per ticket basis to maintain accounts in easy and transparent manner. Taxies, cars, jeeps, trucks etc should be charged the money at the terminal toll tax near every city. This system is prevalent in various cities and required in Rajasthan also for creation of assured cleanliness at all the sites of crowd.
In addition it can be done at all the places of religious interest, tourist interest, archaeological importance, fairs and festival sites, where people visit every day or any specific day, leading to issues of sanitation and unhygienic situation. At some of the locations there is entry fees charged by respective government department or corporation, but do not ensure for maintaining cleanliness. Mechanism can be drawn that line departments who collect charges for various purposes may get such entry fees along with recovery of their dues which can be handed over to municipalities. The private players can also be deployed for such collection along with maintenance of civic amenities and sanitation in those areas. All the urban regulations need to be enforced strictly and people be penalized for non-compliance of sanitary practices and regulations in the city.

The additional resource mobilization under category should be retained by municipal body up to certain percent and remaining funds may be provided to private player who has been assigned the task of maintaining cleanliness at all the prominent locations in particular and city as a whole in general. Though such cleaning arrangement may be given on contract basis, there is necessity to make broad assessment to manage the fund in order to keep all the areas clean.

Some IEC activities or campaigns need to be carried out in the to make consciousness in the people. Imposition of penalties is not aimed to raise resources through such means but create habit in people to abide various instructions for maintaining cleanliness. In Rajasthan Pushkar Municipality has introduced the Entry Fee System. Pushkar being the important city from the religious and tourism perspectives. The thousands of pilgrims and tourist visit this area. So for proper maintenance of
system it has to depend upon such financial mechanism. Other cities of Rajasthan can learn and replicate this process.

(o) **Tax on Service Sector:**

New service sector is emerging fast in cities comprising of call centres, service providers of information technology and outsourcing agencies. These services are out of the purview of the state government as well as municipal bodies. As a matter of principle, all the business, trade and industrial activities need to be covered under the purview of municipal tax and for avoiding duplicity, single tax is charged from each such unit on assured basis. There are various professional activities carried out in a single room where they handle millions of transactions on daily basis. Even such units remain out of the reach of income tax or service tax authorities.

(p) **Carcass Plants**

Carcass plant need to be established in prominent areas as the livestock population of the state is more than five crores or 10.13 percent of the livestock population of the country. Even no leather based plant could be established for tanning of leather to meet the industrial requirements. However, carcass plant can be established in some prominent areas. The activity can be given on contract basis, where the owner of dead animal can convey on phone to municipal body or gram panchayat about the type of animal and location of area, who would instruct the contractor to carry the dead animal.

This mechanism may ensure carrying of dead animals from rural and urban areas, where the owner is benefited for not incurring expenses to carry dead animal to distant place. The contractor would have vehicles
to carry dead animal to site of plant. The sharing of resources is to be done between the contractor and urban local body or gram panchayat in the proportion of dead animals. The carcass is used in preparation of soap and other things, where the plant owner would be benefited with availability of dead animals for extracting carcass, leather etc, while urban and rural local bodies would be benefited with alternate resource.

No estimate can be drawn of the exact financial accrual to each municipal body, but the income is certain and assured. The reporting in municipal body would help in maintaining accounts and ensure accrual of share of municipal body on monthly or annual basis as per terms of agreement. This plant would help in keeping the environment clean and become source of earning to urban local bodies to some extent. The plant need to be equipped with all the requisite machines and technology for processing of carcass, tanning of leather etc as well as safe disposal of the remains to make the atmosphere free from garbage and pollution.

(q) Betterment Duty:

When each city and town meets the norms of maintenance of complete cleanliness in every respect, the municipal bodies are entitled to charge betterment duty on all the residents of urban areas. This duty is in token of the municipal efforts to make respective city and town clean and thia can be utilized for betterment of infrastructure leading to prosperity of city. The assured services to the people, timely response, efficient management and result-oriented efforts are helpful in justifying the municipal efforts.

The betterment duty is to be charged from every household according to certain criterion based upon size of house or household.
The theme of duty collection is empowerment of all the people in development of the city. This fund needs to be kept under different budget and used for the activities related to future development of the city. The charging of duty should enhance the quality of sanitation in the city. If quality of service is improved the desire of citizens to pay betterment duty remains positive.

In Chomu Municipality in Jaipur district where it has introduced the Sanitation Tax. This is aimed for creation of resources for cleanliness of the city. This example can also be replicated at other places. The issue of efficiency and effectiveness again haunts at such innovative initiatives also. Conceptually these are good examples but the commensurate improvement in service delivery takes a back seat. The issues of efficiency in collection mechanism, the deployment of such resources on service upgradation needs to be monitored on well-defined indicators. In the absence of this such extra burden on users will generate counter waves.

6.3.6 SUGGESTIONS FOR ALTERNATIVE RESOURCE MOBILIZATION:

The responsibilities expected from urban local bodies are innumerable and resources available from state government and from own resources of municipal bodies are most limited to meet all the expectations of urban areas from municipal bodies. The analysis of existing resources possible through all possible means is evident that in most of the issues, the state government has various limitations comprising of political and administrative nature. In some cases, the taxes and duties are not permitted in view of state policy to put least burden on the people. In addition, the state government has its own limitations,
where balance between urban and rural development need to be balanced in desired manner.

The urban population of state is 23.39 percent as per 2001 census and 24.9 as per 2011 census of the total state population, while the contribution of urban sector in gross state domestic product has become more than 60 percent, which has potential to increase further. The limitations of primary sector are innumerable but main issues are water constraint and degradation of land resources besides geographical and climatic constraints. The recurrent droughts are the basic issue of concern of the state, which affect the total state economy in general, urban economy also gets setback to sizeable extent. Unemployment and under-employment of the state has reached to most critical level in view of stagnant in development.

The rainfall cycle of last fifty years is evident that on average out of five year rainfall cycle, one year is of efficient rainfall, while two years are of average rainfall with 10 percent below and above the average level. Remaining two years are of deficient rainfall creating drought conditions in different parts of the state. The urban development is also dependent on rural economy for various urban activities. In deficient years of hydrological drought, the urban area is also affected with the water problem. Most of the dams constructed for irrigation purposes, are used for meeting the water requirements of urban areas. The urban development is also affected with the inherent problems of the state.

Industrial, business and trade activities are limited to some urban areas, while other cities and towns are ceremonial urban areas, where urban activities are bare minimum. These situations are evident that as per National Sample Survey 61 round report prepared in the year 2004-
05, the urban poverty of Rajasthan was 32.9 percent in comparison of 18.7 percent rural poverty. Accordingly more than 60 percent urban contribution in gross state domestic product is limited to few cities and towns, where industrial, business, trade and services related activities are concentrated and increasing fast. About half of the urban areas of the state have meager contribution in secondary and tertiary activities.

The potential of resource mobilization depends on the capacity of urban people to pay such taxes, duties etc out of their total earning as well as the services rendered by urban local bodies. Thus the urban resource mobilization is governed by the process of provision of services and facilities on one side and capacity of the eligible persons to pay their contribution on the other side. In this background, if the thinking is developed to charge least from urban people is most destructive approach of urban development.

Similarly, if the state government feels that urban development would be materialized with funds received under centrally sponsored schemes or funds received from external assistance, the money spent for creation of various activities would create imbalance. The theme of development should be centred over the balanced development comprising of infrastructure facilities and basic amenities to poorer sections of the society. The infrastructure creation functions as investment and becomes helpful in resource generation or capacity building of the people to pay more taxes, duties etc for acceleration of development. If the approach of the state towards urban development is centred over such theme, there are possibilities of faster urban development.
The urban areas have tendency to grow at much faster rate and immigration is significant in the potential cities and towns. People leave their home and villages in the hope to earn for livelihood, which requires various civic facilities in urban areas in the present and for future requirements. All these activities need to be accommodated in the urban development, where strategy can be formed at the state level for each city and town. Urban activities are accelerated in cities and towns, when the potential for development exists and this is the cycle of growth of cities and towns. All these aspects require more funds for urban areas and state provides limited funds in the form of grant and assistance. On the other side the scope of own resource generation is restricted by various modes.

Even the revision of own taxes, duties, fees etc. is approved by the state government, which is main constraint of own resource mobilization. The situation of smaller municipal bodies is most humiliating as they cannot generate their own resources in the given limitations. The responsibility of the state government is significant and removal of various constraints in state resource mobilization as well as permitting urban local bodies to generate their own resources in the suggested manner. Even total funds made available in the suggested manner would not suffice to meet the responsibilities of urban local bodies.

The state government need to provide support to urban local bodies to augment various innovative resources, which are of recent origin and possible to generate assured resources to urban local bodies. The special features of the alternate resources is to put least burden over the people of the urban areas in general and based on the potential available with urban local bodies. In addition, the expectations from urban local bodies are
increasing with availability of services and facilities, which is trend of urban development.

Some of the points where innovative thinking can be done for resource generation at policy level are enumerated below-

(a) Transfer of Remaining Departments to ULBs:

The state government did not want to transfer the powers of administering the departments, which the central government has authorized to be handed over the municipal bodies. The intention of the state government in retaining the identified activities is to retain their authority over important activities of public interest. After 18 years of the enactment of central Act, the state government could not decided to transfer the programme to local bodies, which is evident that either the central government did wrong by including 18 programme in the twelfth schedule or the state government is not satisfied with the capability of urban local bodies to administer these programmes, which have still been retained. The state government should realize that even after transfer of all the identified programmes to urban local bodies, the administrative control would remain intact with it.

The head offices of the identified departments would continue to remain under control of the state government as usual, which is sufficient for the state government. The transfer and postings in all the departments would continue to remain with respective administrative departments and if the chairperson of respective urban local body is not satisfied with the performance of the designated officer, a written or oral complaint can be lodged against the officer concerned. Presently, the functioning of the departments is being controlled from the budget of the department. In
case of transfer of the activities to urban local bodies, the budget of respective urban area would be transferred to urban local bodies and receipts of water supply would be credited to municipal body, which would be used for construction, augmentation and distribution of water in urban area.

Similarly the Town Planning Department is exclusively meant for preparation of master plan of cities and towns. The head of department would continue to function under the Urban Development and Housing Department and its offices functional in different cities would continue to work for respective municipal bodies. With the help of satellite imageries, the task of town planning has become much easier and actual size of built up area and occupied area by owner and tenants would be worked out with the help of contract persons. Any addition made in residential or commercial area would be worked out at the time of annual survey, which would take quite meager time. In this situation the urban local body would manage the vacant areas as per feasibility of the city or town.

Similarly the urban forestry would be much easier as some efforts made by municipal body for plantation and watering on road side and on dividers would be charged to single agency and activities would be carried out from the funds received from own resources and central ministries for urban areas under centrally sponsored scheme. The environment management would also be easier with expertise support and each urban local body would survive the plants in suggested manner with help of hospital waste, where one plant can survive in fifty litres of water on annual requirement basis and survival rate would be more than 90 percent.
Environment department and Pollution Control Board would provide effective and assured services to urban local bodies, which would be helpful in imposing penalties over the defaulters, as there would be several complaints from the people of each locality. The officers would be directed to rush up at the earliest with their equipments to adjudge the pollution level and suggest measures to mitigate the problem. The industrial units exhausting polluted and contaminated contents in water and air would be tackled effectively. In case the state government has received some complaints to harass any person or industrial unit, that would be immediately enquired and reported to state authorities. In this system, the quality of services would be quick, effective and timely.

The chairperson and respective ward members would provide their support to service providers and people creating nuisance or problem would be tackled at the level by the people and enforcement machinery effectively. With transfer of all the departments, the municipal bodies would be fully equipped to handle all the urban problems in effective manner. The effective activities of urban local bodies would reflect over the performance of the state government and in case of any complaints, the state authorities would tackle the problems like present. The growth of urban areas would be accelerated with the development activities and the contribution of urban sector would increase further in gross state domestic product.

The process would strengthen the state economy in effective manner as the state taxes and duties would increase with the prosperity in industries, business, trade and service sector. Thus municipal bodies would be helpful in strengthening of the state economy through additional activities, where the service sector would have leading role in
acceleration of the economic activities. Presently the state authorities are thinking in short term benefits of power and authority of the activities they are handling but services in each urban area are not satisfactory to the requisite extent. Local governance would make the services in access to the people to satisfactory level. These efforts would bring revolutionary changes in urban economy and state need to focus its attention over the important tasks of social justice, rural development and land reclamation etc.

(b) **Reimbursement Against Octroi:**

Reimbursement to municipal bodies as grant against waiver of octroi duty was started in August 1998 under assurance from state government to reimburse the loss to municipal bodies caused due to waiver of octroi duty. It was also decided to increase the grant by 10 percent each year. In 2001-02 the state government took unilateral decision to decrease the grant from 10 percent to five percent and this process continued till 2003-04. In the year 2004-05, the state government was compelled to restore the increase to 10 percent as per decision or allow the municipal bodies to restore octroi duty. Waiver of octroi duty was done in response to central government decision to introduce value added tax (VAT) in lieu of sales tax to have uniform rates throughout the country. The state is paying grant in lieu of octroi duty out of the grant received from centre to state.

The state government could not remain committed at the centre to maintain the uniformity of VAT but started raising rates for additional resource mobilization. The municipal bodies have suffered significantly under such decision of the centre with the states. The octroi duty was major source of municipal income and there was provision of revision of
rates, but the municipal bodies become helpless due to this decision as the octroi duty was levied on the prices of commodities transported. In view of constant price rise the existing octroi duty income could have at least more than double than the grant received from state. In addition, the increase of 10 percent could not be maintained within three years of the decision.

It is enjoined upon the state government to permit municipal bodies to continue octroi through any other name as municipal bodies need funds for development within their area and existing funding is not sufficient to meet the establishment expenses. The people are paying toll tax willingly in view of better quality roads and its regular maintenance and municipal bodies can also impose similar duty or toll as the transportation of goods in increasing tremendously in view of increased consumption and from surplus areas to deficient areas. If the state government does not want to open octroi duty points at the wishes of the traders, who complain for being harassed by the duty point staff, the amount can be charged with the transportation charges and deposited to municipal account, where the goods is destined.

The point of restoration of octroi duty need to looked afresh as the municipal bodies were not a party in the decision taken between centre and state. The interests of the municipal bodies need to be ascertained for making them self sufficient in finances. There are only two modes of goods transportation i.e., railways and roads, where collection of funds is no problem as at the toll point, the vehicles stay for payment of toll tax. In similar manner the quantity of goods and its weight remains written on the transport vouchers and payment of duty can be written on the boards to maintain transparency. Such perennial sources of income of municipal
bodies need to be restored under any other name. The cost increase is recurring feature in the developing economy.

The municipal bodies have very limited sources of revenue generation and on waiver of one most prominent income source puts these institutions into most pity situation. The state government is paying municipal share out of receipts of centre, but in due course of time, the state starts thinking its own share and try various measures to stop payments to municipal bodies. The existing funds flow from state to municipal bodies is estimated to be Rs. 878 crores in 2011-12 and it is part of receipt from centre to state under centre-state relations as per recommendations of the central finance commission, but after receipt of the funds to states, the state authorities find in burdensome for payment to municipal bodies in view of volume of funds.

(c) Passenger Tax:

Passenger tax is levied on the public transport services plying within city and areas of close vicinity. Under city services, buses of Rajasthan State Road Transport Corporation and private buses are permitted on identified routes. These buses are operational mainly in Jaipur and in other cities like Ajmer, Bikaner, Jodhpur, Kota and Udaipur the intensity and volume of traffic is quite meager. In addition in city buses playing in Jaipur city, charge five to seven rupees of which the tax paid to state is quite nominal and municipal share in further meager. As a matter of principle, this passenger tax need to be provided in total quantity to municipal bodies by buses plying in city. Even the amount would be quite meager limited to few municipal corporations.
In addition, the share in passenger tax on all buses of road transport corporation of Rajasthan, other state corporations and private operating buses should be receivable to municipal bodies. Share of municipal bodies is to be given on buses starting and covering all the municipal cities and towns as per sharing pattern, as decided by the state government. For this purpose, the state government can name it as surcharge, which should not be less than one rupee per ticket in any case to benefit all the municipal bodies in proportionate manner. This is the responsibility of the state government to patronize municipal bodies through all possible means and surcharge to minimum extent would not create any problem to the passengers much.

(d) Compensation to Municipalities in State Taxes:

The state government is charging various taxes, duties, cesses etc from different category of consumers and share in such taxes received from urban areas need to be compensated in equitable manner. Presently meager share to municipal bodies is given and there is necessity to increase compensation on all the taxes charged in urban areas. This amount would be nominal in every case, which would not create problem to consumers, intermediaries and producers. The octroi duty charged from various industrial units functional in urban areas, need due share of the municipal bodies, which would help in strengthening their financial position to substantial extent. The purpose of state finance commission was meant for sharing in various taxes charged by the state government, but the very purpose was diluted in view of state avoidance to share their income.
(e) **Share in Entertainment Tax:**

State government is charging entertainment tax from various centers of entertainment and most of such centers exist in urban areas. Starting from international matches, cinema halls, clubs, and other entertainment centers, the state government charges such tax but no share is given to municipal bodies out of such collection to state. The claim of the municipal bodies exists for all such venues where entertainment tax is charged by the state. Share of municipal bodies need to be ensured in the form of cess, which is genuine and need wide coverage to assist these bodies in increase of income.

(f) **Share in Fees on Stamp Duty:**

For sale of land from municipal body to individual or from one owner to another, the stamp duty is charged on the sale value of land. The state government charges fees on registration of land deed and its share is given to municipal body. Under this process, valuation standard cost of land is decided on the basis of existing cost of land in each locality of the city or town. This applies to all land categories like residential, commercial, etc and the registrar can deny for registration if the valuation of the land is less than the existing market rate. The discretionary powers of registrar are quite wide and cost of land may vary on the basis of prime location or inside the lanes. Similarly, the valuation may vary to some upper and lower limits.

Usually efforts are made to show sale value to the minimum possible extent to save stamp duty and registration fees. In such situation, the government is put to loss and this process is subsidized under the discretionary powers. However, the municipal bodies get meager amount
from such transactions, where the stamp duty is deposited under
government head and fees is shared with the municipal body. There is
necessity to fix the cost of land for each location in respect of residential
and commercial situations to avoid manipulation and loss to government
as well as municipal bodies. For this purpose, the government need to
make valuation updated having least variation in the prevailing market
rate and registration cost of each category of land.

(g) Surcharge:

In case of some commodities, government charges VAT on the
basis of the cost of different items. Surcharge is levied on certain
commodities along with VAT, which is provided to municipal bodies.
This amount is quite meager and there is necessity to put surcharge on all
the items of sale to benefit the municipal bodies substantially. The
increase sphere of surcharge is helpful for strengthening the financial
situation of municipal bodies and there is necessity to include all the
items of sale in the market. The state government has to remain vigilant
over the interest of municipal bodies and the state government can
remove house tax and octroi duty, sacrificing the interest of municipal
body, there is necessity to take other measures to substantiate the
municipal finances to compensate losses.

SUGGESTIONS:

For improvement of financial position of ULBs some of the
following measures can be taken-

1. Urban Development Tax should strictly be implemented. After
   abolition of House tax this was mooted but potential remained
   untapped. At present residential units upto 300 square yard are
exempted. Present system permits calculation of tax based upon value of the property.

(a) It can be simplified based upon unit area valuation method instead of complicated value of property based formula.

(b) For perfect recovery the realization can be made on PPP method/sharing of certain percentage of recovery with agency who recovers. In law amendments can be made of that effect. Present law requires assessor of ULB to assess and recover. Looking to inadequacy of assessors and large expansion of potential tax-payers this method can be tried. Mechanism for this can be worked out.

(c) If PPP method is not considered than recovery can be made after tying up with electricity bills as amount outstanding under Urban Development Tax can be added in installments with electricity bills.

(d) Presently because of sensitivity of issue and lethargic functioning of ULBs neither proper assessment nor even a small portion of it is being recovered.

(e) If sensitivity of public outrage is considered than it can be started in phases be changed t like initially commercial properties can be taken than institutional and industrial properties can be taken. In last stage residential properties can be taken. For better taste name of it can be changed to Commercial Property tax or Shop tax.
2. A certain minimum target should be fixed for own revenue generation for each ULB annually to be achieved. It can be minimum 1.5 times of total receipts of grants from state or equal to amount of expenditure incurred last year whichever is higher. Presently ULBs are not given targets for revenue collection.

3. Assessment and recovery of taxes etc is pure executive function. It should be made responsibility of Chief Executive Officer to fulfill the targets and board/chairperson should interfere only in policy issues.

4. Option of having separate Urban Development Tax Board/ULB’S Revenue Collection Board at state level can be considered with powers to assess, intimate and recover this tax. West Bengal have board.

5. Present provision mandates that all government land in vicinity of ULB be transferred to ULB but without future plan of transferred land it get encroached upon within short span of time. LAND BANK for each ULB can be made with the help of consultancy services with linkage to future course of action. Also there should be good land record system for urban areas. It can be Zamabandi kind of arrangement to get the actual status of land.

6. The wasteful expenditure needs to be curtailed. At present around 50% expenditure is recurrent in nature which does not bring revenue neither does it creates infrastructure. The recurrent expenditure can be limited to 30% of total receipts. Each ULB can be given target of that effect.
7. Some activities of ULB can be identified like solid waste management, sanitation, transportation, parking where PPP model can be tried.

8. Pooled financing can be used by small ULBs to get access to credit from market. Central government has set up a Pooled Finance Development Fund (PFDF) to provide credit enhancement to ULBs to access market borrowings based on their credit worthiness through State-level-Pooled Finance mechanism.

9. ‘Maintain our asset with your Name’ kind of initiative can be taken for maintenance of Parks, Buildings, Roads, Chorahas, Library etc.

10. Liability can be turned into assets with proper private partnership and good technology as Energy from Solid Waste, Biofertilizer from Sewage, Non-edible oils from Carcass disposal etc.

11. Specific tax examples like Pollution Tax in Balotara, Sanitation Tax in Chomu and Entry fees in Pushkar can be replicated.

12. The ULBs should be given 20% increase per year in place of 10% in the grant amount for compensation of octroi. Also Rs. 632.72 crore is outstanding up to 2009-10 for previous years on account of compensation of octroi which is being demanded by ULBs.

13. The overall amount of grants to be recommended by the Fourth SFC should be increased to at least 10% of State’s own tax revenue. Also share of ULBs can be increased to 30% from 24.3 percent.

14. Revival of general purpose per capita grant which has been
stopped by the State Government since 2008-09.

15. Providing alternative source of revenue in place of entertainment tax.

16. ULBs should be given share in mineral royalties.

17. Proportionate share in road development fund be given. As per provision of Rajasthan State Road Development Fund Act, 2004, State Government is collecting cess Re. 0.5 per litre on sale of petrol and HSD in Rajasthan. The Fund is to be utilized only for development of State Roads.

As the funds provided by the State Government for maintenance of urban roads are inadequate/ negligible and urban local bodies are not in a position to cater the requirement of maintaining these roads regularly and especially after rainy season. While appreciating the fact that the fund is to be utilized only for development of State Roads, and any departure would require an amendment in the said Rajasthan State Road Development Fund Act, 2004 but it should be considered.

18. There is a need of State Level Institute of Urban affairs for capacity building of elected representatives as well as functionaries of Urban Local Bodies. This institute would also work as research and reference centre of Urban Development. Fourth State Finance commission has also recommended for this.


20. Impose liability to pay license fee for using rights of the urban
local bodies in respect of land under and along the pavements, streets and roads.

21. Development Authorities and U.I.Ts transfer to ULBs 15% of the sale proceeds of land in their jurisdiction which is quite low when compared to cost of maintenance of services being provided by the ULBs. Even whatever amount is generated in 15% share is hardly transferred to ULBs within time. Fourth State Finance commission has also recommended for this. Commission suggests to enhance this to 20%

22. Obligatory taxes, as per Section, 102 of Rajasthan Municipalities Act 2009 should be levied and collected. Its recovery should be more than 75% of annual demand in all cases.

23. ULBs may be authorized to stop the supply of water and electricity of the defaulters in payment of taxes/duties/fees.

24. Amnesty should not be granted to defaulters. Such amnesty schemes discourage the bonafide tax payers.

25. Site for Hoardings/Boards/neon signs etc. be allotted by open auction only.

26. A new tax in the name of Sanitation tax may be levied on all Hotels, Restaurants, Public Schools, Private Hospitals, Nursing Homes, Recreation clubs, Marriage gardens and Shopping Complexes.

27. Automobiles are increasing every day in urban area creating congestion and air pollution. A tax under Section 103 of Rajasthan Municipalities Act on vehicles plying in municipal area
be levied.

28. Cleaning of public places and disposal of solid waste is a major expense item in ULBs. This work should be done mechanically and a system of door to door collection of waste could be started.

29. The ULBs should be encouraged to undertake credit rating and access bond markets for financing infrastructure.

30. Maintenance of Accounts and Asset Registers: Most ULBs, especially in smaller municipalities do not have staff for preparation and maintenance of accounts. Local Self Government Department also does not have a proper system of monitoring of preparation and finalization of annual accounts at the level of local bodies. In this scenario, utilization of funds is likely to violate the conditions of sanction. Local Self Government Department has directed ULBs to maintain the accounts on double entry system with effect from April 1, 2010 but 5 out of 184 ULBs have not switched over to the double entry system until now. Only 104 ULBs are preparing computerised accounts. Remaining 75 ULBs are preparing accounts manually. In most cases, the Asset Registers are also not up to-date. The Asset Registers of ULBs should be up-dated simultaneously, while finalizing the annual accounts.

31. Disposal of Audit Paras: Audit of accounts of ULBs is carried out by Director, Local Fund Audit Department. ULBs generally do not provide records and requisite data / information to the Audit parties and hardly pay any attention to the Audit reports. In such a scenario, the efforts put in while getting the
accounts audited hardly yield any results. Local Fund Audit Department has reported that 57,709 audit paras are outstanding as on 31.12.2012, out of which 224 paras relate to embezzlement amounting to Rs. 1.57 crore.

32. ULBs are empowered to levy taxes and user charges under Sec. 101 to 108 of Rajasthan Municipalities Act 2009 but the share of tax revenue in total receipts of ULBs is only 2.5%. In order to motivate ULBs to augment their own revenue, the Fourth SFC recommended that ULBs that augment revenue at least 15% higher in 2013–14 as compared to preceding year and similarly for 2014–15 would be eligible for getting Performance Grant. However, receipts on account of sale of land or any other property would not be considered while calculating the own revenue of the ULBs.

33. Convening meetings of councils/Boards: Meetings of ULBs are not convened timely and important information like budget proposals, availability of funds, expenditure incurred and list of works executed/ performed and status of core civic services provided are not placed before the ULBs. In order to promote people’s participation in local planning and execution of works, meetings of ULBs should be convened as per provisions of Rajasthan Municipalities Act, 2009.

34. Award for Best Performances: Awards for best performance would be given annually to appreciate good performance in order to motivate the ULBs for providing quality services in their areas.
35. The use of technology for better management of finance should be done. The e-Governance project implemented in some ULBs have produced positive outcome for ULbs. Though implementation of it in true spirit is need of the hour.

36. Reorganisation of Directorate—Presently directorate of municipal body called DLB (Directorate of Local Bodies) is headquartered at state level and at each Division there are Deputy Director (Regional). In contrary to monitoring Mechanism adopted in panchayati Raj system the DLB do not have any institution at District headquarter to monitor and co-ordinate the municipal bodies. The office of DDR remains ineffective because lack of staff, wide jurisdiction, lack of expertise on municipal affairs and absence of clear role-definition of this institution. Organisation can be reworked to have District Urban Development Officer in each of the district to monitor the issues of urban local bodies of that district. This institution may have sufficient staff. Along with this the institution of DDR can be entrusted to Divisional Commissioners to monitor the progress. The urban development sector has gone a drastic change in last couple of decades. Hence the some of the issues like Solid waste management, waste to energy, infrastructure projects, transportation etc has got prominence. Separate domain experts can be stationed in each District Urban Development office to guide and co-ordinate various issues.

37. Better Human Resource Management: Presently the selection process of staff of municipal bodies in not scientific. While the Executive Officers are selected by State Public Service
Commission the rest of the staff is selected at state level or at the level of Urban Local Bodies. The absence of scientific selection process, lack of proper training, the multiplicity of reporting authorities creates slackness and inefficiency in municipal staff. The advent of technology can be inserted in training and selection process. Also some of the works can be automated to enhance the effectiveness of the staff.

38. Double Entry Accounting System: The 14th Central Finance Commission made it mandatory for Double Entry Accounting system in all municipal bodies. But actual and effective double entry accounting system has not been established in all municipal bodies. This system provides option to have look at daily income and expenditure so that ULB can plan according to income and financial health.

39. State commission on Urbanization has been made. The commission should focus on emerging urban development issues and work as a source of guidance for effective functioning of urban local bodies. This can co-ordinate with DLB,ULBs,Town planning office,Urban Improvement Trusts,Development Authorities,Awas Vikas Limited,RUIDP,RUIFDCC etc to make a clearpath for right direction of urban development. Also there is the need of the hour to realign the role of various institutions relating to urban development so that they may take convergent views instead of going astray.

40. Multiplicities of Executing agencies: The urban governance in present lacks the coherent approach on development and regulation. A ideal and model urban local body would have all the subjects in
true spirit with it and have control over all the urban development issues. Presently in a city so many agencies are involved in execution of different nature of works without having real co-ordination with each other. Some of these agencies can be listed as- PHED, RSEB, UIT, PWD, Agriculture Marketing Board, NHAI, Forest deptt, Telephone deptt, Transport deptt, Traffic Deptt, police etc. The system should be devised in a way that works to be executed in a city have proper co-ordination with each other.

41. Carbon Trading: The emissions from polluting industries cause environmental degradation. The global conventions have fixed the targets for emissions of carbon in atmosphere for individual countries. While due to industrialization in developed countries it becomes difficult for them to reduce carbon emissions without reduction in economic outputs. On the other hand developing and under-developed countries emit less carbon in atmosphere against their permissible carbon emitting target. So the developed countries purchase the carbon credit from developing and under-developed countries to remain within target limit of carbon emission as well as they can sustain their industrial production. The projects which reduce carbon emissions by various methods can get carbon credit in the form of financial return. Some of the municipal bodies in country have undertaken such projects. For example, in traditional cremation one would require large amount of wood and fuel but if it is replaced with solar energy linked crematorium than the carbon emission get reduced. Hence this reduction in carbon emission can be traded and financial return can be earned.
Support of the State Government:

The issues incorporated under alternate resource mobilization are related to other state departments as well as the central government, which need to be pursued with respective departments, once the state government is fully convinced with the admissibility of the suggested issues for alternate resource management. The present functional system of the head of department and administrative seems quite weak to pose the issues related to municipal bodies effectively. If the Local Bodies Directorate and Department of Urban Development, Housing and Local Self is not inclined to sort out various issues of municipal interest and the issues incorporated in the alternative resource management, the very purpose of making earnest efforts would be defeated.

The urban local bodies are grass root governance units, which need proper nurturing by the state administration. Once these units become financially viable to soldier all the assigned responsibilities, there would be no problem in acceleration of financial management. The suggested alternative resources are aimed to double the existing level provided the state government helps suitably in the suggested manner. It is certain that the suggested measures would require administrative support with no liability over the state government in any of the activity proposed for strengthening. The state government may transfer the functions as per their suitability, as no issue of alternate resource mobilization is associated with any existing or future financial liability on state or any of its department for clash of interest.

The priority of implementation of activities can be initiated in the ascending order and every issue up to serial number three would only require administrative acceptance and tendering process for contract.
Once the framework of these activities is prepared and approved by the state government, the location of execution of these activities can be suggested by urban local bodies in respective municipal area keeping in view of feasibility and availability of land. Activities at serial number four to six would require support of other departments of the central and state governments. Items at serial number seven and eight would require cabinet approval which would only be possible, when the administrative prepares fully justified with legal, administrative and financial aspects.

There would be no clash of interest of any state or central government department or agency with the suggested measures becoming source of earning of the urban local bodies. As a matter of fact, the subjects handled by municipal bodies are largely monopoly issues and potential areas are also the relevant issues of urban local bodies. So far as the subjects as means of alternate source of income, the administrative department need to justify the importance of the task as well as necessity to manage earning from waste material.