Overview

This chapter deals with the developmental process of municipalities with special reference to the Coimbatore Municipal Corporation.

Historical Perspective

The institutions of urban local government originated and developed in modern India during the period of the British rule. The major events in this context are listed hereunder;

i. The first Municipal Corporation was set up at Madras in 1687.¹

ii. The Charter Act of 1793 provided for Municipal Administration in the three Presidency Towns of Madras, Calcutta and Bombay.²

iii. Improvement in Towns Act (India Act XXVI of 1850) paved the way for the introduction of Municipal Administration. This Act authorized the Government to introduce Municipal Administration in any town in which inhabitants were desirous of making better provision for “constructing, repairing, cleaning, lighting or watering any public streets, roads, drains or tanks or for the prevention of nuisance or for improving the town in any manner.” But this Act was not enforced.³
iv. The Town Improvement Act (Act X of 1865) provided for the construction of Municipalities. The District Magistrate who was the ex-officio President appointed the Vice-President of all the Municipalities within the District. The Municipal Councils consisted of not less than 5 inhabitants. They were appointed for a term of one year by the Government. The Municipalities raised funds compulsorily to meet the charges of Police in towns, to cover construction, repairing and cleaning of drains, roads, streets and tanks, forming and repairing of roads and did such things as may be necessary for the improvement of public health.

v. The development of local self-government institutions was visualized through Lord Mayo’s Resolution of 1870 on financial decentralization.

vi. The Town Improvement Act, 1871 entrusted additional functions to Municipalities. They were: maintenance of hospitals and dispensaries, schools, birth and death registration and vaccination. This Act increased the term of office of the members to three years. The District Collector was made the President of the Municipal Council. The Government appointed the Vice-President. This Act also provided for the appointment of inspecting officers by the Government. Though this Act said that there was no need for the Municipalities to contribute to the Police charge, due to financial pressure, the Act vii of 1878 required the Municipalities to bear 75% of the Police charges.

vii. Lord Ripon who is called the father of local-self government in India was responsible for Lord Ripon’s Resolution of 1882, which is hailed as the Magna Carta of local self-government.
viii. The Madras District Municipalities Act was enacted in 1884. According to this Act, the Municipal Council was to consist of not less than 12 members and their term of office was three years. The Revenue Divisional Officer was made an ex-officio Councillor in the Municipality. The Councillors were appointed by the Government or with the permission of the Government. The Chairman of the Municipal Council was appointed by the Government or elected by the Councillors from among themselves with the permission of the Government. He was the Executive Officer of the Council. He was responsible for carrying out the various functions of the Municipality. The Chairman or any Municipal Councillor at any time could be removed by the Government. The District Collector was vested with emergency power.8

ix. The Royal Commission on decentralization appointed in 1907 submitted its report in 1909.9

x. The Government of India Act, 1919 introduced dyarchical scheme through which the local Government subject was transferred to the Provinces under the charge of a responsible Indian Minister.10

xi. The Tamil Nadu District Municipalities Act, 1920 replaced the 1884 Act. The new Act abolished the system of nominations. This Act provided for the posts of Health Officers and Municipal Engineers. It granted larger powers to the Council to levy local taxes, to open schools and dispensaries and to fix the strength of the staff. Though this Act has undergone quite a few changes, this Act is still in operation with necessary amendments.11
An amendment to the Act in 1933 provided for the appointment of Municipal Commissioners by the State Government. Another important amendment vested powers in the State Government to fix or alter the number, designation and grades of officers in Municipalities. Several amendments were made ever since the popular Ministers took over office so as to be in conformity with the popular aspirations. In 1946, the Cabinet authorized the Minister of Local Administration to propose amendments to the Act. Accordingly, a Special Officer was appointed to consider the amendments to the Act, to enable the Municipal Councils and the Chairmen to exercise greater powers. The Chairmen of the Municipal Councils who met in a conference in September 1948 stated that the amendments drafted by the State Government to increase their powers were inadequate. The Central Legislature passed the Cantonments Act in 1924 for the creation of Cantonment Boards in the military inhabited areas.

The Government of India Act of 1935 declared local self government a provincial subject.

Committees and Commissions

The Committees and Commissions appointed by the Central Government to improve the functioning of Urban Local Governments are mentioned below in chronological order:

A Committee under the Chairmanship of P.K. Wattal was appointed in 1949 to enquire into the financial position of Urban Local Governments. The Committee submitted its report in 1951. It suggested
measures to improve the financial position of Urban Local Governments.\textsuperscript{15}

The Government appointed a Committee under the Chairmanship of Rathnasabapathy Mudaliar to consider the question of reorganization of the Municipal Administration, to examine the provisions of the existing laws and to suggest suitable amendments. This Committee submitted its report in August 1950. It recommended to abolish the post of Commissioner and to make the Chairman the Executive Head of the Council. The Council of Ministers decided in September 1954 not to abolish the post of Municipal Commissioner. The Local Administration Minister formulated ten proposals for conferring more powers on Municipal Chairmen and these were approved by the Council of Ministers on 6.4.1955.\textsuperscript{16}

A Committee under the Chairmanship of John Matthai was appointed in 1953 to enquire into the various aspects of taxation in Urban Local Governments. This Committee submitted its report in 1954. This Committee made suggestions to improve the financial position of Urban Local Governments through taxation.\textsuperscript{17} The White Paper on the Reform of Local Administration, 1957 contained the following proposals:

\begin{itemize}
  \item[i.] Increasing the strength of Municipal Councils for Towns with a population exceeding two lakhs from 36 to 42.
  \item[ii.] Continuance of the existing system of election of the Chairman from among the Councillors.
  \item[iii.] Increasing the strength from three fifths to two-thirds in respect of the majority required to carry a motion of non-confidence against the Chairman and the Vice-Chairman.
\end{itemize}
iv. Setting up of a Statutory Committee to dispose of tax appeals.

v. Fixing on the Chairman the responsibility for formulating the general policy of the Council.

vi. Giving the Chairman concurrent powers to enforce execution of resolutions.

vii. Extension of the term of office of the members from three to five years.

viii. Provision for constitution of a Local Authorities Service.

ix. Constitution of Township for municipal areas and general conclusion.18

The Tamil Nadu District Municipalities Bill, 1961 was prepared on the basis of the amendments suggested by the Special Officer, the Rathnasabapathy Mudaliar Committee and the White Paper Resolutions. It contained the following important items of Amendment:

i. Provision for constitution of Standing Committees.

ii. Redefining the functions of the Chairman and the Commissioner and empowering Municipal Councils to issue specific directions regarding the performance by the Commissioner or any of the functions assigned to him under the Act.

iii. Provision for prohibiting alteration of Electoral Rolls after publication of notice for conduct of elections.
iv. Removal of disqualification for election or continuance as member on a servant or employer of official subordinate,

v. Provision for appointment of Assistant Engineers.

vi. Amendment to Section relating to newly constituted Municipalities.

vii. Provision for levy of tax on advertisement.¹⁹

This Bill was placed before the Legislature Committee on Local Administration which met on 20th September 1961. Committee deferred consideration of the matter and the proposals were accordingly held over for consideration in future.

A Committee under the Chairmanship of Nur-ud-din Ahmed was appointed in 1963 to enquire into the training of Municipal employees. The Committee submitted its report in the same year. It recommended various measures to improve the training of Municipal employees.²⁰

A Committee under the Chairmanship of A.P. Jain was appointed to enquire into rural-urban relationship in 1963. This Committee submitted its report in 1966. It recommended various measures to improve rural-urban relationship.²¹ A Committee under the Chairmanship of Rafiq Zakaria was appointed in 1963 to make recommendations for augmenting the financial resources of Urban Local Bodies. This Committee submitted its report in the same year. It made various recommendations to augment the financial resources of Urban Local Bodies.²² A Committee was formed by the Government of India in 1965 to study the service conditions of Municipal employees and to suggest suitable recommendations to improve the service conditions of
Municipal employees. This Committee submitted its report in 1968. It made suitable recommendations to improve the service conditions of Municipal employees.23

The Draft Tamil Nadu Municipalities Bill, 1966 did not approve the extension of the term of office of the members from three to five years, which was put in the proposals of the White Paper on Local Administration. This Bill also considered a lot of proposals in the draft Bill. 1961 and suggested the following new important amendments:

i. Deduction of profession tax from the salaries of the employees by the employer and to remit the same to the Local Authorities concerned.

ii. To cancel resolutions of Municipal Councils which are in contravention of any rule, notification, direction etc. made or issued under any other Act or under the provisions of the Tamil Nadu District Municipalities Act and also to cancel resolution which, in the opinion of the Government, is undesirable.

iii. Levy of sanitary cess, as it is a special service.

iv. Levy of additional property tax in respect of premises used for industries in addition to licence fees on such industries.

v. To charge interest at 10% per annum on belated payment of taxes due to Municipalities to tone up collection work.

vi. To introduce registration of carts and carriages to tone up collection work as in the case of motor vehicles.

vii. To delete the provision regarding vacancy remission.
viii. To dispense with the issue of demand notice for collection of taxes and to follow the procedure adopted in the case of land revenue by issuing a card just like patta as in the case of land revenue.

ix. To collect from the tax payers postal and other incidental charges incurred by officers and servants of Municipal Councils on behalf of them.

x. To dispense with consulting Municipal Councils in the matter of transfer of officers and servants of Municipal Councils.

xi. To take powers for Government to constitute Civil Services in respect of certain categories of staff under Municipal Councils.

xii. To entrust to the Tamil Nadu Public Service Commission the work for recruitment of candidates for appointment under Municipal Councils above the rank of basic servants, at the same time taking powers for Government to exclude certain posts from the purview of the Commission.

xiii. To abolish multi-member constituencies.24

The Bill was introduced in the legislature on 9.8.1966 as Local Administration Bill 12 of 1966. Subsequently, the Bill as introduced was published in the Fort St. George Gazette for eliciting public opinion. Several suggestions and objections were received. This Bill could not be processed further because the previous Legislature came to a close.25 This Bill was taken up for re-examination during 1967 and 1968 and only certain changes with regard to the direct election of the Chairman
and other corresponding provisions of the Act were made. A Committee under the Chairmanship of Girijapati Mukharji was appointed to suggest suitable reforms in the budgetary process of Municipal Administration in 1974. This Committee submitted its report in the same year. It recommended suitable suggestions on budgetary reform in Municipal Administration. In order to bring about comprehensive amendments to the Tamil Nadu District Municipalities Act, 1920, the Government of Tamil Nadu constituted a small Committee on 12.9.1980.

The Tamil Nadu District Municipalities Draft Bill, 1966 was taken as the basis for preparing the comprehensive amendments. A comparative study of laws relating to Municipalities in various States in India was made. The decisions of the Supreme Court with regard to the applicability of the provisions of the Municipalities Act were also taken into consideration. A questionnaire containing 154 suggestions for comprehensive amendments was prepared and was communicated to about 25 select Commissioners, Regional Directors of Municipal Administration and other Heads of Departments pertaining to Municipal Administration inviting their views and suggestions. The Chairman and the Special Officer of the Committee visited the Indian Institute of Public Administration and the Regional Centre for Urban and Environmental Studies and had discussions with the Professors of Urban Administration. These discussions were useful in identifying the items and subjects to be amended in the Act. The Tamil Nadu District Municipalities Act, 1920 was then re-examined in greater detail and suitable recommendations were made.

A study group was formed under the Chairmanship of K.N.Sahay to make suitable recommendations on the constitution, the powers and
the laws of Local Bodies and Municipal Corporations in 1982. This Committee submitted its report in the same year. This Committee made recommendations on the constitution, the powers and the laws of urban local bodies and Municipal Corporations.28

A National Commission under the Chairmanship of C.M. Correa was constituted in 1985 to enquire into the effects of urbanization in Urban Local Governments. This Committee submitted its report in 1988. It made suitable recommendations to effectively contain the problems of urbanization in urban local Governments.29

Constitutionalisation

In August 1989, Rajiv Gandhi’s Government introduced the 65th Constitutional Amendment Bill known as the Nagarpalika Bill in the Lok Sabha. The Bill aimed at strengthening and revamping the Municipal Bodies by conferring constitutional status on them. Although the Bill was passed in the Lok Sabha, it was defeated in the Rajya Sabha in October 1989 and, hence, lapsed.30 The National Front Government under V.P. Singh introduced the revised Nagarpalika Bill in the Lok Sabha in September 1990 again. However, the Bill was not passed and finally lapsed when the Lok Sabha was dissolved.31 P.V. Narsimha Rao’s Government also introduced the modified Municipalities Bill in the Lok Sabha in September 1991. It was passed in both the Lok Sabha and the Rajya Sabha in December 1992. After that, the required number of State Legislatures approved the Bill. It was assented to by the President of India in April 1993. It emerged as the 74th Constitutional Amendment Act of 1992 and came into force on 1st June 1993.32
The 74th Constitutional Amendment Act of 1992

This Act has added Part IX-A to the Constitution of India. It is titled “The Municipalities” and consists of provisions from Articles 243-P to 243-ZG. In addition, the Act has also added the Twelfth Schedule to the Constitution. It contains 18 functional items of Municipalities and deals with Article 243-W, The Act has given Constitutional status to the Municipalities. It has brought them under the purview of justiciable part of the Constitution. In other words, State Governments are under Constitutional obligation to adopt the new system of municipalities in accordance with the provisions of the Act. The Act aims at revitalizing and strengthening the Urban Governments so that they function effectively as units of Local Government.

The Act provides for the constitution of the following three types of Municipalities in every state:

i. A Nagar Panchayat for a transitional area, that is, an area in transition from a rural area to an urban area.

ii. A Municipal Council for a smaller urban area.

iii. A Municipal Corporation for a larger urban area.

A transitional area, a smaller urban area or a larger urban area means such area as the Governor may specify by public notification for this purpose with regard to the following factors:

a) Population of the area

b) Density of population

c) Revenue generated for local administration
d) Percentage of employment in non-agricultural activities

e) Economic importance or such other factors as the Governor may deem fit.33

Composition

All the members of a Municipal Council shall be elected directly by the people of the municipal area. For this purpose, each municipal area shall be divided into territorial constituencies to be known as wards. The State Legislature may provide the manner of election of the Chairperson of Municipality. It may also provide for the representation of the following persons in a Municipality:

i) Persons having special knowledge or experience in Municipal Administration without the right to vote in the meetings of Municipality.

ii) The members of the Lok Sabha and the State Legislative Assembly representing constituencies which cover wholly or partly the municipal area.

iii) The members of the Rajya Sabha and the State Legislative Council registered as electors within the municipal area.

iv) The Chairpersons of Committees.

Wards Committees

There shall be constituted a Wards committee, consisting of one or more wards, within the territorial area of a Municipality having population of three lakhs or more. The State Legislature may make provisions with respect to the composition and the territorial area of a
wards Committee and the manner in which the seats in Wards Committee shall be filled. It may also make any provision for the constitution of other Committees in addition to the Wards Committee.\(^{35}\)

**Reservation of Seats**

The Act provides for the reservation of seats for the Scheduled Castes and the Scheduled Tribes (STs) in every Municipality in proportion to their population in the total population of the municipal area. Further, it provides for the reservation of not less than one-third of the total number of seats for women.

The State Legislature may provide for the manner of reservation of the office of Chairpersons in Municipalities for the SCs, the STs and women. It may also make any provision for the reservation of the office of Chairpersons in Municipalities in favour of the Backward Classes.\(^{36}\)

**Duration of Municipalities**

The Act provides for a five-year term of office for every Municipality. However, it can be dissolved before the completion of its term. Further, the fresh election to constitute a Municipal Council shall be completed

i) before the expiry of its duration of five years; or,

ii) in case of dissolution, before the expiry of a period of six months from the date of its dissolution.\(^{37}\)

**Disqualifications**

A person shall be disqualified for being chosen as or for being a member of a Municipal Council if he is so disqualified
i) under any law for the time being in force for the purposes of
election to the Legislature of the State concerned; or,

ii) under any law made by the State Legislature. However, no
person shall be disqualified on the ground that he is less than
25 years of age if he has attained the age of 21 years. Further,
all questions of disqualification shall be referred to such
authority as the state Legislature determines.38

State Election Commission

The superintendence, direction and control of the preparation
of electoral rolls and the conduct of all elections to the Municipalities
shall be vested in the State Election Commission.39

Powers and Functions

The State Legislature may endow the Municipalities with such
powers and authority as may be necessary to enable them to function as
institutions of self-government. Such a scheme may contain provisions
for the devolution of powers and responsibilities upon Municipalities at
the appropriate level with respect to

i) the preparation of plans for economic development and
social justice;

ii) the implementation of schemes for economic development
and social justice as may be entrusted to them, including
those in relation to the 18 matters listed in the Twelfth
Schedule.40
Finances

The State Legislature may

i) authorize a Municipality to levy, collect and appropriate taxes, duties, tolls and fees;

ii) assign to a Municipality taxes, duties, tolls and fees levied and collected by the State Government;

iii) provide for making grants-in-aid to the Municipalities from the Consolidated Fund of the State; and

iv) provide for constitution of funds for crediting all moneys of the Municipalities.\textsuperscript{41}

Finance Commission

The Finance Commission shall also, for five years, review the financial position of Municipalities and make recommendation to the Governor as to:

1) the principles which should govern

   a) The distribution between the state and the Municipalities of the net proceeds of the taxes, duties, tolls and fees levied by the State;

   b) the determination of the taxes, duties, tolls and fees, which may be assigned to the Municipalities;

   c) the grants-in-aid to the Municipalities from the Consolidated Fund of the State;
2) the measures needed to improve the financial position of the Municipalities;

3) any other matter referred to the Finance Commission by the Governor in the interests of sound finance of Municipalities.

The Governor shall place the recommendation of the Commission along with the action taken report before the State Legislature. The Central Finance Commission shall also suggest the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Municipalities in the state.  

Audit of Accounts

The State Legislature may make provisions with respect to the maintenance of accounts by Municipalities and the auditing of such accounts. *

Application to Union Territories

The President of India may direct that the provisions of this Act shall apply to any Union Territory subject to such exceptions and modifications as he may specify.  

Areas Kept Out

The Act does not apply to the Scheduled Areas and Tribal Areas referred to in Article 244 of the Indian Constitution. It shall also not affect the functions and powers of the Darjeeling Gorkha Hill Council of West Bengal.
District Planning Committee

Every State shall constitute, at the district level, a District Planning Committee to consolidate the plans prepared by Panchayats and municipalities in the district and to prepare a draft development plan for the district as a whole. The State Legislature may make provisions with respect to the following points:

1. the composition of such Committees;
2. the manner of election of members of such Committees;
3. the functions of such Committees in relation to district planning; and,
4. the manner of the election of the Chairpersons of such Committees.

The Act lays down that four-fifths of the members of a District Planning Committee should be elected by the elected members of the District Panchayat and Municipalities in the district from amongst themselves. The representation of these members in the Committee should be in proportion to the ratio between the rural and urban populations in the district.

The Chairpersons of such Committees shall forward the development plan to the State Government.46

Metropolitan Planning Committee

Every metropolitan area shall have a Metropolitan Planning Committee to prepare a draft development plan. Metropolitan area means an area having a population of 10 lakhs or more, covering one or
more districts and two or more Municipalities or Panchayats or other contiguous areas. The State Legislature may make provisions with respect to:

1. the composition of such Committees;
2. the manner of election of members of such Committees;
3. the representation in such Committees of the Central Government, the State Government and other organizations;
4. the functions of such Committees in relation to planning and coordination for the metropolitan area; and,
5. the manner of the election of Chairpersons of such Committees.

The Act lays down that two-thirds of the members of a Metropolitan Planning Committee should be elected by the elected members of the municipalities and Chairpersons of the Panchayats in the metropolitan area from amongst themselves. The representation of these members in the Committee should be in proportion to the ratio between the population of the Municipalities and the Panchayats in that metropolitan area.

The Chairpersons of such Committees shall forward the development plan to the State Government.

Continuance of Existing Laws on Municipalities

All the State laws relating to Municipalities shall continue to be in force until the expiry of one year from the commencement of this Act. In other words, the States have to adopt the new system of Municipalities.
based on this Act within the maximum period of one year from 1st June 1 which is the date of commencement of this Act. However, all Municipalities existing immediately before the commencement of this Act shall continue till the expiry of their term, unless dissolved by the State Legislature sooner.48

Twelfth Schedule

The Twelfth Schedule contains the following 18 functional items placed within the purview of Municipalities:

1. Urban planning, including town planning;
2. Regulation of land use and construction of buildings;
3. Planning for economic and social development;
4. Roads and bridges;
5. Water supply for domestic, industrial and commercial purposes;
6. Public health, sanitation, conservancy and solid waste management;
7. Fire services;
8. Urban forestry, protection of the environment and promotion of ecological aspects;
9. Safeguarding the interests of weaker sections of society, including the handicapped and the mentally retarded;
10. Slum improvement and upgradation;
On the basis of the 74th Constitutional Amendment Act, the Tamil Nadu Government enacted the Tamil Nadu District Municipalities (Amendment) Act, 1994. This Act has given effect to most of the recommendations made in the 74th Constitutional Amendment Act. This Act has provided for the organization and working of Municipal Corporations in Tamil Nadu.

**Sum-up**

In tracing the development process of the Coimbatore Municipal Corporation an attempt has been made to explain the development process of Municipalities in general and the Coimbatore Municipal Corporation in particular. During the course of the discussion an attempt has been made to trace the major events responsible for the
development of the Coimbatore Municipal Corporation. After independence a number of Committees and Commissions were appointed to review and update the organization and the working of Municipalities, including Municipal Corporations.

The Tamil Nadu Government, on the basis of the recommendations of the Committees and Commissions, has attempted to reorganize the organization and the working of the Coimbatore Municipal Corporation. The attempts made by the Central Government did not work out successfully in respect of Municipalities and Municipal Corporations. In order to enable the Municipalities and Municipal Corporations to function more efficiently, the Government of India passed the 74th Constitutional Amendment Act. The important features of the 74th Constitutional Amendment Act have been explained in this chapter. On the basis of the 74th Constitutional Amendment Act, the Tamil Nadu Government amended the Tamil Nadu District Municipalities Act, 1920 into the Tamil Nadu District Municipalities (Amendment) Act, 1994. This Amendment Act has given effect to most of the recommendations of the 74th Constitutional Amendment Act. On the basis of the Tamil Nadu District Municipalities (Amendment) Act, 1994, the structure of the Coimbatore Municipal Corporation Council has been reorganized. The new structure of the Coimbatore Municipal Corporation Council is explained in the fourth chapter.
Notes and References


4. Ibid.


12. Ibid.


16. Ibid.

17. Ibid.


25. Ibid.


27. Bhagwan Yishoo, op.cit.


29- S.R. Maheswari, op.cit.


31. Ibid.

32. Ibid.

33- S.R. Maheswari, op.cit.

34. Ibid Article 243-R

35. Ibid Article 243-S

36. Ibid Article 243-T

37. Ibid Article 243-U

38. Ibid Article 243-B

39. Ibid Article 243-ZG

40. Ibid Article 243-W

41. Ibid Article 243-X
42. Ibid Article 243-Y
43. Ibid Article 243-Z
44. Ibid Article 243-ZB
45. Ibid Article 243-ZC
46. Ibid Article 243-ZD
47. Ibid Article 243-ZE
48. Ibid Article 243-ZF
49. Ibid Article 243-W