



# भारत का राजपत्र The Gazette of India

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EXTRAORDINARY

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके !  
Separate paging is given to this Part in order that it may be filed  
as a separate compilation.

## LOK SABHA

The following Bills were introduced in Lok Sabha on 16th September, 1991:—

BILL NO. 159 OF 1991

*A Bill further to amend the Constitution of India.*

BE it enacted by Parliament in the Forty-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Constitution (Seventy-third Amendment) Act, 1991.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. After Part IX of the Constitution, the following Part shall be inserted, namely:—

### PART IXA THE MUNICIPALITIES

243P. In this Part, unless the context otherwise requires,—

(a) "Committee" means a Committee constituted under article 243S;

(b) "Municipal area" means the territorial area of a Municipality;

(c) "Municipality" means an institution (by whatever name called) of self-government constituted under article 243Q;

Short title  
and com-  
mence-  
ment.

Insertion  
of new  
Part IXA.

Definitions.

(d) "population" means the population as ascertained at the last preceding census of which the relevant figures have been published.

Constitu-  
tion of  
Municipali-  
ties.

243Q. (1) There shall be constituted in every State—

(a) a Nagar Panchayat (by whatever name called) for a transitional area, that is to say, an area in transition from a rural area to an urban area;

(b) a Municipal Council for a smaller urban area; and

(c) a Municipal Corporation for a larger urban area,

in accordance with the provisions of this Part.

(2) In this article, "a transitional area", "a smaller urban area" or "a larger urban area" means such area as the Government of a State may, having regard to the population of the area, the density of the population therein, the revenue generated for local administration, the percentage of employment in non-agricultural activities, the economic importance or such other factors as it may deem fit, specify by public notification for the purposes of this Part.

Composi-  
tion of  
Municipali-  
ties.

243R. (1) Subject to the provisions of this Part, the Legislature of a State may, by law, make provision with respect to the composition of Municipalities.

(2) Save as provided in clauses (3) and (4), all the seats in a Municipality shall be filled by persons chosen by direct election from territorial constituencies in the Municipal area and for this purpose each Municipal area shall be divided into territorial constituencies to be known as wards.

(3) The Legislature of a State may, by law, provide for the representation, in a Municipality, of the Chairpersons of Committees constituted at the ward or other level or levels under article 243S in such manner and subject to such conditions as may be specified in such law.

(4) The Legislature of a State may, by law, provide for the representation in a Municipality of persons having special knowledge or experience of Municipal administration in such manner and subject to such conditions as may be specified in such law:

Provided that such persons shall not have the right to vote in the meetings of the Municipality.

(5) The Chairperson of a Municipality shall be chosen by election in such manner as the Legislature of a State may, by law, provide.

Constitu-  
tion and  
composi-  
tion of  
Committees  
at ward  
level or  
other  
levels.

243S. The Legislature of a State may, by law, provide for the constitution of Committees at the ward level or other level or levels within the territorial area of a Municipality and such law may contain provisions with respect to—

(a) the composition and the territorial area of such Committees;

(b) the manner in which the seats in such Committees shall be filled;

(c) the powers and functions of the Municipality which may be delegated to such Committees;

(d) the manner in which the Chairpersons of such Committees shall be elected.

243T. The provisions of articles 243D [except the provisos to clause (4)], 243E [except clause (3)], 243F, 243H, 243-I, 243K, 243L, 243N and 243-O shall, so far as may be, apply in relation to Municipalities as they apply in relation to Panchayats.

Application of certain articles of Part IX to Municipalities.

243U. (1) The accounts of the Municipal Corporations constituted under article 243Q shall be kept in such form as the Governor may, on the advice of the Comptroller and Auditor-General of India, prescribe.

Form of accounts of Municipal Corporations and audit of accounts of such Corporations.

(2) The Comptroller and Auditor-General of India shall cause the accounts of the said Municipal Corporations to be audited in such manner as he may deem fit and the reports of the Comptroller and Auditor-General shall be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State and before the Municipal Corporation concerned.

243V. Subject to the provisions of this Constitution, the Legislature of a State may, by law, endow—

Powers, authority and responsibilities of Municipalities, etc.

(a) the Municipalities with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Municipalities, subject to such conditions as may be specified therein, with respect to—

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

(ii) the performance of functions and the implementation of schemes as may be entrusted to them including those in relation to the matters listed in the Twelfth Schedule;

(b) the Committees with such powers and authority as may be necessary to enable them to carry out the responsibilities conferred upon them including those in relation to the matters listed in the Twelfth Schedule.

243W. (1) Nothing in this Part shall apply to the Scheduled Areas referred to in clause (1), and the tribal areas referred to in clause (2), of article 244.

Part not to apply to certain areas.

(2) Notwithstanding anything in this Constitution, Parliament may, by law, extend the provisions of this Part to the Scheduled Areas and the tribal areas referred to in clause (1) subject to such exceptions and modifications as may be specified in such law, and no such law shall be deemed to be an amendment of this Constitution for the purposes of article 368.

Addition  
of Twelfth  
Schedule.

3. After the Eleventh Schedule, the following Schedule shall be added, namely:—

**“TWELFTH SCHEDULE**

(Article 243V)

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 and promotion of ecological aspects.
9. Safeguarding the interests of weaker sections of society, including the handicapped and mentally retarded.
10. Slum improvement and upgradation.
11. Urban poverty alleviation.
12. Provision of urban amenities and facilities such as parks, gardens, playgrounds.
13. Promotion of cultural, educational and aesthetic aspects.
14. Burials and burial grounds; cremations and cremation grounds.
15. Cattle pounds; prevention of cruelty to animals.
16. Vital statistics including registration of births and deaths.”

STATEMENT OF OBJECTS AND REASONS

In many States local bodies have become weak and ineffective on account of a variety of reasons, including the failure to hold regular elections, prolonged supersessions and inadequate devolution of powers and functions. As a result, Urban Local Bodies are not able to perform effectively as vibrant democratic units of self-government.

2. Having regard to these inadequacies, it is considered necessary that provisions relating to Urban Local Bodies are incorporated in the Constitution particularly for—

(i) putting on a firmer footing the relationship between the State Government and the Urban Local Bodies with respect to—

(a) the functions and taxation powers; and

(b) arrangements for revenue sharing;

(ii) ensuring regular conduct of elections;

(iii) ensuring timely elections in the case of supersession; and

(iv) providing adequate representation for the weaker sections like Scheduled Castes, Scheduled Tribes and women.

3. Accordingly, it is proposed to add a new Part relating to the Urban Local Bodies in the Constitution to provide for—

(a) constitution of three types of Municipalities:

(i) Nagar Panchayats for areas in transition from a rural area to urban area;

(ii) Municipal Councils for smaller urban areas;

(iii) Municipal Corporations for larger urban areas.

The broad criteria for specifying the said areas is being provided in the proposed article 243Q;

(b) composition of Municipalities, which will be decided by the Legislature of a State, having the following features:

(i) persons to be chosen by direct election;

(ii) representation of Chairpersons of Committees, if any, at ward or other levels in the Municipalities;

(iii) representation of persons having special knowledge or experience of Municipal Administration in Municipalities (without voting rights);

(c) election of Chairpersons of a Municipality in the manner specified in the State law;

(d) constitution of Committees at ward level or other level or levels within the territorial area of a Municipality as may be provided in the State law;

(e) reservation of seats in every Municipality—

(i) for Scheduled Castes and Scheduled Tribes in proportion to their population of which not less than one-third shall be for women;

(ii) for women which shall not less than one-third of the total number of seats;

(iii) in favour of backward class of citizens if so provided by the Legislature of the State;

(iv) for Scheduled Castes, Scheduled Tribes and women in the office of Chairpersons as may be specified in the State law;

(f) fixed tenure of 5 years for the Municipality and re-election within six months of end of tenure. If a Municipality is dissolved before expiration of its duration, elections to be held within a period of six months of its dissolution;

(g) devolution by the State Legislature of powers and responsibilities upon the Municipalities with respect to preparation of plans for economic development and social justice, and for the implementation of development schemes as may be required to enable them to function as institutions of self-government;

(h) levy of taxes and duties by Municipalities, assigning of such taxes and duties to Municipalities by State Governments and for making grants-in-aid by the State to the Municipalities as may be provided in the State law;

(i) a Finance Commission to review the finances of the Municipalities and to recommend principles for—

(1) determining the taxes which may be assigned to the Municipalities;

(2) sharing of taxes between the State and Municipalities;

(3) grants-in-aid to the Municipalities from the Consolidated Fund of the State;

(j) audit of accounts of the Municipal Corporations by the Comptroller and Auditor-General of India and laying of reports before the Legislature of the State and the Municipal Corporation concerned;

(k) making of law by a State Legislature with respect to elections to the Municipalities to be conducted under the superintendence, direction and control of the chief electoral officer of the State;

(l) application of the provisions of the Bill to any Union territory or part thereof with such modifications as may be specified by the President;

(m) exempting Scheduled areas referred to in clause (1), and tribal areas referred to in clause (2), of article 244, from the application of the provisions of the Bill. Extension of provisions of the Bill to such areas may be done by Parliament by law;

(n) disqualifications for membership of a Municipality;

(o) bar of jurisdiction of Courts in matters relating to elections to the Municipalities.

4. The Bill seeks to achieve the aforesaid objectives.

SHEILA KAUL

NEW DELHI;

The 11th September, 1991.

## FINANCIAL MEMORANDUM

Clause 2 of the Bill seeks to insert a new Part IXA in the Constitution consisting of articles 243P to 243W.

2. Article 243V read with article 243T of the Bill envisages that the Legislature of a State may confer such powers and authority (including the power to levy, collect and appropriate taxes, duties, tolls and fees) on the Municipalities as may be required to enable them to function as institutions of self-government. The strengthening of Municipalities as envisaged may call for the strengthening of the administrative capabilities of these Municipalities in the States. Article 243U of the Bill envisages that the accounts of the Municipal Corporations shall be kept in such form as may be prescribed by the Governor on the advice of the Comptroller and Auditor-General of India and shall be audited by the Comptroller and Auditor-General of India. As article 243T of the Bill makes its provisions applicable to the Union territories, the expenditure which may have to be incurred in relation to the Union territories, will have to be met by the Government of India out of its Consolidated Fund. Some expenditure may have to be incurred on strengthening the office of Comptroller and Auditor-General to enable him to discharge the responsibility of audit of the Municipal Corporations. It is, however, difficult to estimate the annual recurring expenditure at this stage.

3. The Bill, when enacted, will not involve any other recurring or non-recurring expenditure.