

**GOVERNMENT OF ASSAM
FINANCE (ECONOMIC AFFAIRS) DEPARTMENT**

NOTIFICATION

ORDERS BY THE GOVERNOR

No. FEA 130/2000/20

Dated Dispur the April 18, 2001

In pursuance of the provisions of Article 243-I and Article 243-Y of the Constitution of India read with the provision of Section 2(1) of the Finance Commission (Miscellaneous Provision) Act, 1995, the Governor of Assam is pleased to constitute the Second Assam State Finance Commission with the following Members, namely:

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| 1. | Shri Rajiv Kr. Bora, IAS
Commissioner & Secretary,
Finance Department. | Chairman |
| 2. | Dr. Dilip Barua, Professor
of Economics, Professor Colony,
Dighalipukhuri, Guwahati-781001 | Member |
| 3. | Shri S.K. Dutta, Retd. Director,
Finance (E.A.) Department. | Member |
| 4. | Dr. Mohamed Ariz Ahammed, IAS
Joint Secretary, Education Department. | Member |
| 5. | Director, Finance (E.A.) Department. | Member-Secretary |
2. The Commission shall make recommendations as to the following matters:
- (a) The principles, which should govern –
- (i) the distribution between the State of Assam and the Panchayats/ Municipalities of the net proceeds of the taxes, duties, tolls and fees, leviable by the State, which may be divided between them and the allocation between the Panchayats/ Municipalities at all levels of their respective shares of such proceeds;
 - (ii) the determination of the taxes, duties, tolls and fees, which may be assigned to, or appropriated by, the Panchayats/ Municipalities;
 - (iii) the grants-in-aid to the Panchayats/ Municipalities from the Consolidated Fund of the State;

- (b) The measures, needed to improve the financial position of the Panchayats/ Municipalities.

The expression 'Municipalities' includes Municipal Corporation and Town Committee.

(2) The Commission may make an assessment of (a) the actual debt position of each of the Local Bodies as on 31st March, 2000 (b) estimated debt position of each of the Local Bodies as on 31st March, 2001 and suggest suitable measures relating to the debts as are deemed necessary, keeping in view also the financial requirements of the State Government.

(3) In making its recommendations, the Commission shall have regard, among other considerations, to:-

- (i) the objective of balancing the receipts and expenditure on revenue account of both the Local Bodies as a whole and the State Government and each Local body;
- (ii) the resources of the State Government and the demands thereon, in particular, on account of expenditure on maintenance of law and order, civil administration, debt servicing and other committed expenditures;
- (iii) the revenue resources of the Local bodies for the five years commencing on 1st April 2001 on the basis of the level of collection made during 1998-99 from taxes, duties, tolls, fees, cess etc. levied by them;
- (iv) the potential for raising additional revenue from the existing sources available to them; and
- (v) the scope for better financial management consistent with efficiency and economy in expenditures.

3. In making its recommendations on the various matters aforesaid, the Commission shall adopt the population figures of 1971 Census in all cases, where population is regarded as a factor for determination of devolution of taxes and duties and grants-in-aid.

4. The Commission shall indicate the basis on which it has arrived at its finding and make available the Local Body-wise estimates of receipts and expenditure.

5. The Commission shall make its report available to the Governor of Assam by the 31st October, 2001 on each of the matters aforesaid, covering a period of five years commencing on the 1st day of April, 2001.

Sd/-
(A.K. Thakur)
Commissioner & Secretary
to the Government of Assam,
Finance Department.