

TOPIC NOTES

1. **Has the SFC been set up? If so, the award period may be specified. The principles laid down by the last SFC (for which recommendations are being currently implemented or have been implemented) for assignment of taxes/devolution / grant-in-aid to PRIs and ULBs and the implementation of these SFC recommendations may be given in detail. (See Schedule- I) If any of the recommendations have not been accepted, please provide reasons.**

SFCs have been set up at regular interval in Sikkim. The status of setting up of SFCs in the State and its award period is presented in the table below:

Particulars	1 st SFC	2 nd SFC	3 rd SFC	4 th SFC	5 th SFC
Date of constitution	22/07/1998	05/07/2003	04/03/2009	15/06/2012	17/08/2016
Date of submission of report	16/08/1999	30/09/2004	27/02/2010	15/05/2013	31/07/2017
Date of submission of ATR	June 2000	25/02/2006	23/03/2010	November 2014	10.03.2018
Period covered	2000-01 to 2004-05	2005-06 to 2009-10	2010-11 to 2014-15	2015-16 to 2019-20	2020-21 to 2024-25

Note: Urban local bodies in Sikkim were set up only in 2010-11. As a result the recommendations of the first three State Finance Commissions of the State relate only to the Rural Local Bodies.

Currently the recommendations of the 4th State Finance Commission is being implemented. Although the 5th State Finance Commission which submitted its report on 31 July March 2017 has been accepted by the State Government and an Action Taken Report was laid in the State Assembly in March 2018, its recommendations will be implemented from 1 April 2020 as the period covered by its recommendations is 2020-21 to 2024-25. Till then the recommendations of the 4th SFC will be followed.

The details of the recommendations made by the 4th State Finance Commission which is currently implemented along with the Action Taken Report (ATR) may be seen at **Annexure I**.

<p align="center">Recommendations of the 4thSFC and the Explanatory memorandum as to the action taken on its recommendations by the State Government</p>
<p>• Recommendation pertaining to uploading of information on web portal The Commission recommends that a web portal and online MIS is essential for not only having a ready-to-use database but also for tracking and updating the fund transfers and utilization certificates received on a monthly basis. The Commission also noticed that information on implementation status /impact of previous SFCs/CFCs recommendations is not readily available. The Commission recommends that Action Taken Reports (ATRs)/status on recommendations must be updated annually, and include mandatory write up on the changes/improvements being achieved in local finances and governance due to SFC/CFC recommendations. The ATRs along with the implementation status of the recommendations should be uploaded, annually, on the web portal. (Para 1.10) Action Taken: Installation of Panchayati Raj Institute Accounting Software (PRIASoft) subject to improvement of present poor network connectivity in all GPs and also necessary training for official functionaries. Similar standard software for ULBs also to be developed, strengthening manpower and connectivity.</p>
<p>• Constitutional mandated of District Planning Committee 12.2 The Commission recommends that Constitutionally mandated DPCs should be given their rightful ownership in deciding the decentralized district development planning priorities through their involvement as parties to the agreement as per the relevant guidelines. (Para 2.15) Action Taken: The Government accepted the above recommendation of the Commission</p>
<p>• Integration of District Plans into State Plan 12.3 The Commission recommends that the District Plans should invariably be integrated into State Plan as per the guidelines in force. (Para 2.16) Action Taken: The Government accepted the above recommendation of the Commission</p>
<p>• Recommendation pertaining to the Collection of Taxes 12.4 The Commission recommends that a suitable mechanism be devised by the concerned departments to include Sabhapatis of Gram Panchayats as grassroots level representatives of the citizens in the DPCs. (Para 2.18) Action Taken: The Government accepted the above recommendations with suitable Notification to be issued by the competent authority in line with the Notification 27/RM&DD/P dated 13.04.2013</p>
<p>• Direct transfer of fund to Gram Panchayats • 12.5 The Commission recommends that fund transfers meant for GPs should be made directly to them, with intimation of such fund transfers communicated to Additional District Collector (Development) and other relevant functionaries. (Para 3.23) Action Taken: The Government accepted the above recommendation of the Commission and FRED will issue suitable Notification.</p>

• **Preparation of Plan at Gram and Zilla Panchayat Level**

12.6 The Commission recommends that the plan proposals for the activities transferred to the Rural Local Bodies (i.e. GPs and ZPs) should be prepared by themselves. However, to facilitate the preparation of plan proposals by Rural Local Bodies (RLBs) the concerned Line Department must provide GP and ZP wise fund allocations (usually termed as resource envelope), as an annual practice, and the timely release of these funds directly to the RLBs need to be ensured by DPER&NECAD and FRED. **(Para 4.3)**

Action Taken: The Government has accepted the above recommendation subject to preparation of plan proposal based on the actual expenditure of last financial year with certain growth acceptable to the Planning Commission.

• **Deployment of functionaries to Gram Panchayats**

12.7 The Commission recommends that the officials and field functionaries should be deputed to the GPs to the extent possible, and they shall have lien to their concerned parent departments, but shall be directly under the administrative control of the GPs for the period of their posting. **(Para 4.4)**

Action Taken: The Government has accepted to maintain status quo till such time requisite infrastructure is created.

• **Devolution and activity mapping**

12.8 The Commission, after consultations with various Line Departments, GPs, and ZPs on the existing devolution and review of the activity mapping vis-à-vis the list of matters in the Eleventh Schedule, and duly examining the limited but valuable information/views shared by them, has decided to recommend the following:

- i. Payment of salaries of employees of PHSC through GP by fund transfer from the concerned Line Department.
- ii. Payment of honorarium to ASHA workers through GPs.
- iii. Issue of certificate of birth and death by GPs.
- iv. Maintenance & minor repairs of PHSC and PHC through GPs.
- v. Community fodder bank/pasture development through GPs.
- vi. Silage preparation at farmer's level in the GPs.
- vii. Implementation of drought relief through GPs.
- viii. Functionaries from veterinary dispensaries and stockman centers under direct administrative control of GPs.
- ix. Renting of houses for veterinary centers in villages through ZPs.
- x. Bull maintenance through ZPs.
- xi. Although payment and disbursement of salaries of teachers under Primary and Junior High Schools are made by PRIs, the Assistant Directors, HRDD, posted to BACs are entrusted with the administrative matters of the teachers under PRIs. The Commission recommends that GPs should also have the responsibility over administrative/disciplinary matter of Primary School teachers.
- xii. The Commission recommends release of grants-in-aid (from NRHM) to Village level Health & Sanitation Committees (VHSCs) through respective GPs, and utilization of untied fund of NRHM by PHSCs and PHCs through GPs.
- xiii. Collection of irrigation tax shall be assigned to the GPs.

xiv. Transfer repair works of Minor Irrigation Channels to the GPs.

xv. 10% funds of National Rural Drinking Water Supply Program (NRDWP) should be transferred to PRIs as O&M fund, as per the program guidelines.

xvi. Review of the Activity Mapping of all Central Sponsored Schemes (CSSs) wherein the GPs are a centrality to the implementation of such schemes, and assign functions and functionaries to PRIs as per the CSSs guidelines. **(Para 4.6)**

Action Taken: The Government has accepted the above recommendation of the Commission except Sl. No. iii and xiii.

• **Power and function of Panchayats**

12.9 Regarding the power and functions of Panchayats, the Commission recommends that the GPs should have the responsibility over the disciplinary matter of the following officials:

- i. Anganwadi Worker.
- ii. Primary Health Worker.
- iii. Village Level Worker.
- iv. Rural Development Assistant .
- v. Gram RozgarSahayak.
- vi. Accredited Social Health Activist (ASHA)
- vii. Primary Teacher **(Para 4.7)**

Action Taken: The Government has accepted the above recommendation of the Commission.

• **Preparation of budget of Gram Panchayat and ZillaPanchayat**

12.10 The Commission recommends that all the GPs and ZPs prepare the budgets for each year as stipulated in Sikkim Panchayat Act, which will enable them to spend on revenue and capital accounts as per the sanctioned funds by the State Government against the approved budgets of PRIs. This arrangement will push the PRIs towards financial planning and accountability on their expenditures, and establish financial discipline in accounting practices as well. **(Para 4.14)**

Action Taken: The Government has accepted the above recommendation of the Commission

• **Administrative functionary at Gram Panchayat Level**

12.11 The Commission recommends that an administrative functionary be appointed as the Secretary (Sachiva) of the Gram Panchayat, as is the practice in other States, to streamline the grassroots activities of the Gram Panchayats, and to have a functionary who can be held accountable as well. The ZP in Sikkim already have an administrative functionary as its Sachiva, the same arrangement be extended to GPs. The concerned line department shall also make necessary amendment to the Panchayat Act to facilitate such appointment. **(Para 4.25)**

Action Taken: The above recommendation is being implemented vide Notification No. 100/RM&DD dated 10.06.2013

• **District Planning Officer to be nodal officer for all the Local Bodies**

12.12 The Commission recommends that the DPO shall be the district level nodal official for all the Local Bodies (PRIs and ULBs) and for all planning activities arising from the Local Bodies. The DPO should be an official of DPER&NECAD posted in district, which would enable the DPO to optimally perform the role of Member Secretary-DPC, and thus allow him/her to coordinate with the Local Bodies and State Planning Department -

DPER&NECAD, in a streamlined manner. **(Para 4.28)**

Action Taken: The Government has accepted the above recommendation of the Commission

• **Review of the activity mapping vis-a-via the list of matters in the Twelfth Schedule**

12.13 The Commission, after consultation with various Line Departments and ULBs on the existing devolution of functions and functionaries, and review of the activity mapping vis-à-vis the list of matters in the Twelfth Schedule, and after deliberating on the information/views shared by them, the Commission has decided to recommend the following:

- i) To strengthen the administrative capacities of Nagar Panchayats, an Under Secretary or a suitable official be deputed to each of the Nagar Panchayats for functioning as full-fledged Municipal Executive Officer and efficient discharge of the duties and functions.
- ii) Matters/activities related to other line departments as listed in the Twelfth Schedule should be fully devolved to ULBs, particularly since the ULBs will be in their fifth year of existence, and have gained requisite operational experience and administrative strength.
- iii) DPO shall be the district level nodal official for all the ULBs and for all decentralized planning activities/functions arising from the ULBs. The DPO should be an official of DPER&NECAD posted in district, which would enable the DPO to optimally perform the role of Member Secretary-DPC and thus allow him/her to coordinate with the Local Bodies (both ULBs and PRIs) and State Planning Department - DPER&NECAD, in a in a streamlined manner.
- iv) Ward Committees should be constituted in all ULBs for effective implementation of development schemes as per the subjects listed in the Twelfth Schedule. **(Para 4.34)**

Action Taken: The Government has accepted the above recommendation of the Commission except Sl. No ii.in view of inadequate experienced manpower which may be regulated with proper studies.

• **Man power at Nagar Panchayats**

12.14 In the interest of the Nagar Panchayats, the Commission recommends that a suitable accounts official be transferred to them, which will not only enhance their capacities to deal with various transactions, but state of financial accountability will also be enhanced. **(Para 4.41)**

Action Taken: The Government did not accept the above recommendation of the Commission, however advised Nagar Panchayats to appoint suitable man power as per their requirements.

• **Decentralized governance framework**

12.15 The Commission recommends that, in the spirit of true decentralized governance framework, the GPs should be the final issuing authority for trade license at grassroots level. This will not only give higher accountability to GPs but also provide a platform to them to perform, conclusively, on the function devolved. **(Para 5.4)**

Action Taken: The Government has accepted the above recommendation of the Commission.

• **Training of accounting personnel at ZillaPanchayats**

12.16 The Commission recommends that accounting personnel at ZPs be trained on financial accounting and management, so that reliable and meaningful information on finances of ZPs

<p>is available at all times. (Para 5.25)</p> <p>Action Taken: The Government has accepted the above recommendation of the Commission.</p>
<ul style="list-style-type: none"> • Capacity building of accounting personnel at ULBs <p>12.17 The Commission recommends that the in-house capacities of the accounting personnel of the ULBs need to be enhanced on accrual accounting and other financial accountability processes. (Para 6.16)</p> <p>Action Taken: The Government has accepted the above recommendation of the Commission.</p>
<ul style="list-style-type: none"> • Levy of taxes and charges <p>12.18 The Commission recommends that the levy of taxes and charges should be made after passing resolution in the Gram Sabhas. (Para 7.8)</p> <p>Action Taken: The Government has accepted the above recommendation of the Commission subject to maintaining uniformity in levying taxes and charges.</p>
<ul style="list-style-type: none"> • Irrigation tax by the Gram Panchayats <p>12.19 The Commission recommends that both the concerned Line Department and GPs to work in tandem for finalizing a mechanism to enable collection of Irrigation Tax by the GPs. (Para 7.9)</p> <p>Action Taken: The Government has accepted the above recommendation of the Commission subject to maintaining uniformity in levying taxes and charges.</p>
<ul style="list-style-type: none"> • Collection of tourist tax from tourist <p>12.20 After, due consultations with GMC, and studying reports related to collection of Tourist Tax from tourists in other places in India, this Commission recommends that a minimum of Rs. 5.00 per tourist can be collected by the ULBs, and GMC shall develop a mechanism for collection of tourist tax from the tourists. (Para 7.12)</p> <p>Action Taken: This recommendation cannot be acted upon.</p>
<ul style="list-style-type: none"> • Review and revisiting of Activity Mapping <p>12.21 The Commission recommends that the existing activity mapping be revisited by the State Government, and all the functions be devolved fully to PRIs and ULBs along with necessary functionaries and funds, so that all Local Bodies will be in a position to maximize their own revenues. (Para 7.17)</p> <p>Action Taken: The Government has accepted the above recommendation of the Commission.</p>
<ul style="list-style-type: none"> • Involvement of Local Bodies for collection of Revenue <p>12.22 The Commission recommends that in revenue heads/functions where cost of collection is more than the actual collection of revenue/income, the concerned Line Departments may involve the Local Bodies for collection of such revenues duly paying them necessary service charges, and wherever it is practicable to assign the entire function to the Local Bodies, the concerned Line Departments may transfer such functions, as well. (Para 7.18)</p> <p>Action Taken: Status quo to be maintained as this may cause further loss of revenue.</p>
<ul style="list-style-type: none"> • Recommendation pertaining to sharing of Tax from the State Government <p>12.23 Considering the historical inflows to the Local Bodies against the share of taxes from the State Government, the Commission has, with constraint, decided to recommend only 2.5% of the divisible pool of taxes for vertical sharing to the Local Bodies (PRIs & ULBs),</p>

with a premise that State Finances will be elastic enough to transfer the recommended minimal percentage of funds out of the divisible pool of taxes, duties, tolls, and fees, and thus the need for the State Government to further reduce the fund transfers against the recommendations of the Commission may not crop up. **(Para 7.26)**

Action Taken: The Government has accepted the above recommendation subject to:

1. Net Tax Revenue based on actual. and
2. Excluding Cess – as Cess is collected based on certain Act and its accounting procedure is different.

• **Recommendation pertaining to allocation of resources to PRIs and ULBs.**

12.24 The share of taxes to Local Bodies at 2.5% of the divisible pool of revenues is Rs.6967.10 lakhs for the award period 2015-20 as given in Table 7.14. The allocation of share of taxes to PRIs and ULBs is made on the basis of provisional rural and urban population figures of Census 2011, which is in the ratio of 75:25. **(Para 7.27)**

Action Taken: The Government has accepted the above recommendation with minor modification in the ratio of 80:20 in place of 75:25 as recommend by the Commission.

• **Recommendation pertaining to internal distribution of share of revenue**

12.25 The Commission recommends that Grants-in-Aid as shown in Table 7.17 would be split into two grants namely – ‘Primary Grant’ and ‘Improvement Grant’ – in the ratio of 70:30. Both Grants would be disbursed to all the Local Bodies on the basis of their respective population figures for all the years during the award period 2015-20. Improvement Grant will be applicable from the financial year 2016-17 onwards, and for the year 2015-16, 100% of the Grants-in-Aid is Primary Grant, which will be transferred to the Local Bodies. **(Para 7.31)**

Action Taken: In view of the floating population and the devolution of fund, Government has accepted the disbursement of both the grants in the ratio of 70:30 to the Local Bodies.

• **Conditions for availing Improvement grant.**

The Commission, after due consultations with Local Bodies, Line Departments, and other stakeholders, has finalized three simple conditions that are to be met by the Local Bodies to qualify for the Improvement Grant. The conditions, which will improve the quality of expenditure and financial accountability of the Local Bodies, are as follows:

- i. Utilization Certificate for SFC grants should invariably be submitted in time and jointly signed by the Elected Representative heading the concerned local body and Secretary/Executive Officer of that particular body.
- ii. The schemes/plans – of the Local Bodies – intending to utilize the SFC grants must be approved by the Gram Sabhas for PRIs, and the Area Sabhas for ULBs, and such schemes/plans should be included in the District Annual Plan for the year 2016-17 (the district plan shall be prepared in the preceding year i.e. 2015-16), which shall have the approval of the District Planning Committee (DPC), in accordance with the guidelines on preparation of District Plans issued by the Planning Commission, Government of India. Same mechanism should be followed for the subsequent years.
- iii. Each Local Body should prepare the GP/ZP/Municipal budget, as relevant, for the year 2016-17 and seek approval of the State Government for sanction of funds by March 2016, as per the provisions of Sikkim Panchayat Act and Sikkim Municipalities Act. Similarly, the Local Bodies should prepare their respective budgets for the next year and seek approval of

the State Government by March 2017, for claiming its Improvement Grant for the year 2017-18, and so on. (Para 7.31)

Action Taken: The Government has accepted the above recommendation of the Commission. The budget should be as prescribed in the Accounting manual of PRIs and ULBs.

• **Recommendation pertaining to Improvement Grant to Local Bodies.**

12.27 The Commission recommends that the concerned Line Departments i.e. UDHD for ULBs and RMDD for PRIs shall ensure that Local Bodies satisfy these conditions for the release of Improvement Grant. In the event wherein a Local Body is unable to meet these conditions by 31st March of a particular financial year, it will only be entitled to the Primary Grant for the succeeding financial year. All Local Bodies which do not qualify the conditions will forfeit their share of Improvement Grant, and such forfeited grants for non-performance by Local Bodies will be retained by the State Government, and will not be adjusted or re-allocated to any other Local Body, for that particular year. **(Para 7.33)**

Action Taken: The Government has accepted the above recommendation of the Commission.

• **Conditionality for availing the Improvement Grant through GVAs.**

12.28 The Commission recommends that GVAs should be given responsibility for GPs under their jurisdiction to satisfy the conditionality for availing the Improvement Grant. **(Para 7.34)**

Action Taken: The Government has accepted the above recommendation of the Commission and same shall apply for ULBs as well.

• **Recommendation of fourteenth Central Finance Commission**

12.29 While not limiting to the above observations, the Commission suggests that on the basis of per capita expenditure, the award of grant under Article 280 (3) (BB) from 14th CFC towards augmenting the Consolidated State Fund for supplementing the resources of Panchayats and Urban Local Bodies, to be at least Rs. 900.00 per capita annually for the award period 2015-20. **(Para 7.37)**

Action Taken: The Government has accepted the above recommendation of the Commission and this has already been incorporated in the Memorandum of the 14th Finance Commission.

12.30 The Commission suggests the 14th CFC to consider Census 2011 population figures while ascertaining the allocations to Local Bodies, wherever population is the criterion considering the demographic changes that have occurred after Census 1971, primarily for the reason that the State of Sikkim became part of the Indian Union only in 1975, and the population explosion in the State occurred mainly during the last four decades. Hence, the Commission believes that the population figure as of 1971 becomes inapplicable for determination of devolution of taxes/duties/grants-in-aid for the State of Sikkim. **(Para 7.38)**

Action Taken: The matter is already in the State's view. It has been reiterated in the MOU submitted to 14th Finance Commission.

12.32 The Commission urges the Central Finance Commission/ Planning Commission/ concerned Central Line Ministries to devise a 'budgetary and fund transfer' mechanism that will allow the State Line Departments to invariably communicate the resources envelopes, well in advance, to the Local Bodies and the DPCs. The Commission, further suggests that BRGF allocations to the Districts/States may be made partly conditional, and substantially incentivize (both in District and State components) those States, which have standardized processes in place to provide timely resource envelopes to the

Local Bodies / DPCs.(Para 10.2) Action Taken: No action regarding this is required as the matter pertains to Central Government.
<ul style="list-style-type: none"> • Suitable legislative provision to be introduced to empower SFCs 12.35 The Commission recommends that suitable legislative provision be introduced to empower the SFCs to address those accepted recommendations (pertaining to the award period of immediate/previous SFC) but not being implemented with corrective measures, as the subsequent SFC is being constituted for its report submission, well in advance of the termination/lapse of the previous SFC award period. (Para 10.5) Action Taken: This recommendation cannot be acted upon.
<ul style="list-style-type: none"> • Nomenclature BDO be replaced with BAO. 12.31 The Commission recommends that nomenclature Block Development Officer be replaced with Block Administrative Officer. (Para 9.3) Action Taken: The Block Development Officers are re-designated as Gram VikashAdhikari vide Notification No.155/Gen/Dop dated 29.05.2013 and the Block Administrative Centre as Gram Vikash Kendra.
<ul style="list-style-type: none"> • e-panchayat module (Panchayat Enterprise Suite Application) 12.33 The Commission suggests that in line with the Plan Plus software, the Central Plan Scheme Monitoring System (CPSMS) should also have an option for the Citizens to publicly view the funds received by the implementing agencies and beneficiaries through treasury and society modes on various plan and non-plan schemes. The Commission feels that the age of ‘Open Governance’ with advent of e-modules for many a scheme has set in, and this is an appropriate time to facilitate such facilities to the Citizens (even without Aadhar number). This may even be considered as a step in the right direction towards maximum public disclosure. (Para 10.3) Action Taken: The e- Panchayats module (Panchayats Enterprise Suite Application software) designed by the Ministry of Panchayati Raj, Government of India which includes 8 application software including Plan plus, PRIA soft, National Asset Directory, Action Soft etc. are available in the public domain.
<ul style="list-style-type: none"> • Recommendation pertaining to Social Audit-cum-Vigilance Committee 12.36 The Commission recommends that Social Audit–cum–Vigilance Committee should also perform Social Audit for the works/schemes of all the Line Departments as per the activity mapping, irrespective of whether the works/schemes are implemented by the Local Bodies or directly by the Line Departments. ULBs should also adhere to similar social audit mechanism. (Para 11.1) Action Taken: The Government has accepted the above recommendation of the Commission
<ul style="list-style-type: none"> • Transfer of fund to Local Bodies in four tranches 12.37 The Commission recommends that the SFC funds/grants may be transferred in four tranches in a particular financial year, preferably, in the months of April, July, October, and January, to lend a degree of certainty on timely fund transfers to the Local Bodies. (Para 11.2) Action Taken: The Government has accepted the above recommendation of the Commission with minor modification that instead of April, July October and January, the transfer of fund in four tranches in the month of May, August, November and February considering the release of resource.
<ul style="list-style-type: none"> • Recommendation pertaining to impact assessment study by Local Bodies. 12.38 The Commission recommends that impact assessment study covering various parameters through utilization of SFC/CFC grants by the Local Bodies be carried out by the State Finance Commission Division, as a mid-term evaluation measure, the results /findings of which can be further used to streamline various systemic processes and identify areas for improvement within the decentralized governance and devolution framework.(Para 11.3) Action Taken: The Government has accepted the above recommendation of the Commission.

• **Capacity Building of PAA and similar accounting personnel of ZPs & ULBs.**

12.39 The Commission recommends that Panchayat Account Assistants (PAAs) for GPs, and similar accounting personnel for ZPs and ULBs should be intensively trained in the preparation of budgets, maintenance of accounts, and database management. **(Para 11.4)**

Action Taken: The Government has accepted the above recommendation of the Commission

The Commission would like to record the following small yet critical points for the consideration of the State Government.

12.40 The Commission would like to record the following small yet critical points for the consideration of the State Government.

- i. The 12th FC has recommended a lifespan of 18 months for the SFCs. This Commission realized that the SFC tenure - in Sikkim - should be atleast for duration of 12 months, if not 18 months, as against the current practice of 6 months, for the fact that a detailed report addressing all the topics as per the model templates, needs to be prepared. The Commission recommends that the Fifth State Finance Commission (5th SFC) may be constituted, by all means, in April 2017.
- ii. The Commission recommends that a suitable budgetary allocation be made in the State budget for 2017-18 so that requisite funds can be allocated in advance to the 5th SFC for its effective functioning.
- iii. The Commission recommends that the State Finance Commission Cell/Division be suitably strengthened for maintaining and updating the financial data of local bodies, atleast, on a monthly basis. SFC Division should also be given the overall responsibility for processing of SFC /CFC grants, and related utilization and impact reports for the PRIs and ULBs in coordination with the concerned Line Departments. The SFC Division should devise mechanisms for monitoring the growth related to revenue receipts and expenditure of the State, PRIs, and ULBs.
- iv. The Commission recommends that the hard and soft copies of its report and ATR be circulated to all the GPs, ZPs, and ULBs by the SFC Division.
- v. The Commission recommends that its report and ATR be uploaded on the State and National web portals.
- vi. The Commission recommends that requisite dissemination of its recommendations and ATR should be taken up through focused knowledge and capacity enhancement initiatives by the institutions such as SFC Division, DLFA, and SIRD. **(Para 11.6)**

Action Taken: The Government has accepted the above recommendation of the Commission and sl. no. ii to be included under State Finance Department at the appropriate time and Sl. No. v will be upload on the State portal.

2. Efforts made/ being made to raise revenues to meet the additional requirements based on the SFC recommendations and results thereof.

Rural Local Bodies: Efforts are being made to raise own revenues of PRIs to meet additional requirements in compliance with the 3rdSFC's recommendations. Notification to that effect has been

issued vide Notification No. 05/RM&DD/P dated 27.09.2010 (copy of the Notification is placed at **Annexure II**)

Urban Local Bodies: UD&HD, in consultation with ULBs and with the approval of the State Government, has been revising rates of user charges levied by the ULBs so as to enable them to raise own revenues which can at least meet their O&M costs.



**GOVERNMENT OF SIKKIM
RURAL MANAGEMENT & DEVELOPMENT DEPARTMENT
GANGTOK**

NO:05/RM&DD/P

DATED: 27 / 09 /2010.

NOTIFICATION

In exercise of the powers conferred by Sub-Section (1) of Section 40 of the Sikkim Panchayat Act 1993 (6 of 1993), the State Government hereby fixes the taxes, rates and fees to be levied by the Gram Panchayat as under, namely:

1. Household Tax @ Rs. 5/-, Rs, 10/- and Rs.15/- per month from each household- small, medium, and bigger respectively. For Resorts, hotel, restaurant, guest houses @ Rs. 2500/- per annum.
2. Water and Sanitation Tax @ Re. 1/- per month from each household.
3. Village Road and Environment Tax @ Rs. 2/- per month from each household.
4. Sale of Tender Forms as per Government norms.
5. Building Construction fee @ Rs. 2/- per Sq. ft. for RCC building and @ Re. 1/- per sq. ft. for Ekra /Kacha structure.
6. Other Miscellaneous Receipts (Bank interest, donation, disposal of unserviceable items, charges for use of Panchayat Ghars/ Conference Halls/ other properties etc.) (As per Panchayat resolution duly approved by Gram Sabha).
7. Trade License fees and hawker license fees as per UD&HD rates. (The licenses will be issued by GPs on fulfillment of required conditions as per Trade License rules).
8. Fees on Mela / Picnic etc. in rural area.(As per Panchayat resolution duly approved by Gram Sabha).
9. Fees for construction of temporary sheds for any kind of social gathering in public property.(As per Panchayat resolution duly approved by Gram Sabha).
10. Fees for minor dispute redressal. (Such redressal forum should be created in GPs. @ Rs. 20/- per application/case)

2. Terms of reference:

- 1). All the above rates are recommended by the State Finance Commission and approved by the State Government. The Gram Panchayats may revise these rates on the recommendation of the Gram Sabha and approval of the State Government.
- 2) All receipt from fees, taxes or user charges shall be booked under the head prescribed to facilitate distinction of receipt as per the new Accounting procedure. No separate account shall be opened for the purpose.

Sd/-

A.K. Ganeriwala, IFS

Secretary

3. Have adjustments been made by the State Government against the funds to be devolved to local bodies as per the State Finance Commission recommendations for any reason, including recovery of arrears of dues for electricity and water supply? How many such instances have there been since 2012-13? Details may be given.

Rural Local Bodies: No, the State Government has not made any such adjustment.

Urban Local Bodies: ULBs in Sikkim were formed in the year 2010. No adjustments have been made by the State Government against the fund devolved to ULBs against any recovery or arrears till date.

4. Status of implementation of recommendation of the Thirteenth Finance Commission:

a)

(i) State Government were required to put in place a supplement to budget documents for local bodies, showing details of plan and non-plan –wise classification of transfers separately for all categories of ULBs and all tiers of PRIs, from major head to object head, which have been depicted in the main budget under the minor heads 191, 192 and 193 and 196, 197 and 198 respectively.

(ii) For PRIs, an accounting framework and codification pattern consistent with the Model Panchayat Account System was prescribed; beside this, eight data based format prescribed by C&AG was to be compiled.

(iii) For ULBs, and accounting framework consistent with the accounting format and codification pattern, suggested in National Municipal Accounts Manual was recommended.

Whether the above supplements to the budget, adhering to the above accounting systems, were prepared and placed?

Yes, Separate supplement budget documents for Zilla Panchayat and Gram Panchayat has been put in place vide demand no 43.

A separate demand for grants under Demand No.46 has been created for recording all the transfers to each tier of the Urban Local Bodies. The transfers are all recorded in 6 tier 15 digit classification.

Model Accounting System has been adopted. Codes for State schemes and corresponding object head of accounts has been mapped in PRIASoft as prescribed under MAS.

Sikkim Municipal Accounting Manual based on National Municipal Accounting Manual has been provided to all the ULBs for recording their accounting works.

b) Accounts of Local bodies were required to be prepared and audited on a regular basis in a uniform manner across all states. For this, C & AG was to be given TG &S over the audit of all the local bodies and his Annual Technical Inspection Report and Annual Report of the Directorate of Local Fund Audit were to be placed before the State Legislature.

Whether the above Statement were prepared, audited and placed before State Legislature? Please indicate dates on which Reports received and dates on which they were placed before the state legislature.

Rural Local Bodies: The above statements were prepared and placed before the State Legislature. The dates of placement of these statements in the State Legislature are given below:

Year	Date of report placed before state legislature
2007-08 & 2008-09	29.03.2011
2009-10	21.02.2011
2010-11	28.02.2013
2011-12	05.10.2013
2012-13	28.06.2014
2013-14	28.03.2016
2014-15	18.03.2017
2015-16	30.01.2018

Urban Local Bodies: Accounts of ULBs are being audited by the office of the CAG and also by Director, Local Fund Audit. The details of placement of Annual Technical Inspection Report (ATIR) in the State Legislature are as follows:

Year	Date of Placing of ATIR by CAG	Date of placing of ATIR by LFA
2011-12	05.10.2013	-
2012-13	28.06.2014	-
2013-14	28.03.2016	-
2014-15	18.03.2017	04.02.2015
2015-16	30.01.2018	16.03.2016
2016-17	-	14.03.17
2017-18	-	28.02.18

c) Whether legislation has been passed and its notification was made for putting in place a system of independent local body ombudsmen to look into complaints of corruption and maladministration against the functionaries of local bodies, both elected members and officials?

Yes, legislation has been passed vide Notification no. 6/LD/P14 dated 27/02/2014 regarding The Sikkim Lokayukta Act, 2014 for putting in place a system of independent local body ombudsmen to look into the complaints of corruption and maladministration against the functionaries of local bodies, both elected members and officials

The State Government, through a notification No.21/RMDD/P dated 20.01.2014, has appointed Inquiring Ombudsman for both ULBs and PRIs.

d)

i) Whether a system has been put in place to electronically transfer local body grants provided by the 13th FC to the respective local bodies within stipulated times as per the

guidelines issued by M/o Finance, Government of India No. 12 (2) FCD/2010 dated 23.09.2010?

ii) Number of instances out of total installment received in which amount has not been transferred within the stipulated period?

iii) The amount paid as interest on account of delayed transferred of fund and period of such delays to local bodies.

Grants to Local Bodies are being transferred to elected local bodies within 10 days on receipt of grant from Central Government through alternative channels where easily accessible banking infrastructure is not available.

Prompted by the compulsions of election related norms, delay in remittance of Grant in aid happened on a few occasions as detailed in the table below. The factor responsible is such delays are also highlighted in the table.

Number of days delayed in release	Interest amount released to PRI	Reason for Delay of Remittance
17 Days	Rs. 3,49,664/-	Technical error experienced by FRED while remitting the resources
80 Days	Rs. 7,07,209/-	Dissolution of the term of Rural local Bodies, imposition of Model Code of Conduct preparatory to General Panchayat Elections
9 Days	Rs. 3,10,815/-	Technical error experienced by FRED while remitting the resources

The total amount paid as interest on account of delayed transfer of funds in case of Rural Local Bodies is Rs. 13,67,688/- and the total number of days of delay is 106 days.

Details of delay in transfer of funds to urban local bodies along with the number of days delayed and a penal interest payment is given as follows:

Sl.No.	Grant	Delay in days	Penal Interest released to ULBs
1.	Basic Grant 2010-11 1 st Instalment	54 days	Rs.10,652/-
2.	Basic Grant 2011-12 1 st Instalment	12 days	Rs.3,699/-
3.	Basic Grant 2011-12 2 nd Instalment	10 days	Rs.3596/-

e) Whether legislation has been passed and its notification made for prescribing the qualifications of persons eligible for appointment as members of the SFC, consistent with Article 243 I (2)?

The qualifications have been notified vide Gazette Notification No. 35(1)93-94/20/RDD/P dated 3rd November, 1995. (Copy of the Notification is placed at **Annexure III**)

- f) Whether all local bodies have been fully enabled to levy property tax (including tax for all types of residential and commercial properties) and hindrances, if any removed in this connection?**

Property Tax is not being levied by the local bodies in the State.

- g) Whether the State Government has put in place a State Level Property Tax Board to assist all municipalities and municipal corporation in the State?**

State Level Property Tax Board has not been constituted.

- h) Whether a notification was published in the State Govt. gazette regarding standards for delivery of all essential services provided by the local bodies?**

Out of the four basic functions to be benchmarked, only Solid Waste Management has been transferred to the ULBs till date. Therefore, only this function has been benchmarked and the Service Level Benchmarking is notified through Government Gazette. The latest notification is placed at **Annexure IV**.

- i) Whether plans regarding fire hazard response and mitigation plan for all municipal corporations with a population of more than 1 million (2001 census) has been published in the State Govt. gazette?**

Not Applicable for Sikkim as none of the ULBs have a population of more than 1 million. Gangtok the largest ULB in the State has a population of around 1 lakh. No fire hazard and response mitigation plan has been prepared.



GOVERNMENT OF SIKKIM

RURAL DEVELOPMENT DEPARTMENT

TASHILING, GANGTOK

No.35(1)93-94/20/RDD/P

Dated; Gangtok, the 3rd November 1995.

NOTIFICATION

In exercise of the powers conferred by Article 243I and 243 Y of the Constitution of India read with Chapter X of the Sikkim Panchayat Act, 1993 (6 of 1993) and section 185 of the Sikkim Municipalities Act, 1995(6 of 1995) the State Government hereby makes the following rules regulation the constitution of a Finance Commission in the State of Sikkim, namely:-

1. Short title & commencement.

(1) These rules may be called the Sikkim (Constitution of Finance Commission)

Rules, 1995.

(2) They shall come into force at once.

2. Definitions.

(1) In these rules, unless the context otherwise requires;

(a) "Act" means either the Sikkim Panchayat Act, 1993(6 of 1993) or the Sikkim Municipalities Act,1995 (6 of 1995) as the case may be;

(b) "Commission means the Finance Commission constituted under rule 3.

(2) The expressions used in these rules and not otherwise defined shall have the Same meaning as respectively assigned to them in the above two Acts.

3. Constitution of Finance Commission.

(1) The Governor shall within one year from the commencement of the Constitution (Seventy- Third) Amendment Act, 1992 and thereafter at the expiration of every fifth year constitute a Finance Commission for the purpose of the provision as laid down in chapter X of the Act.

(2) The Governor shall, by notification, appoint one person as Chairman and two other persons as members of the Commission who are citizens of India and have attained the age of 35 years and also have the requisite qualifications as laid down in section 97 of the Sikkim Panchayat Act,1993 :

Provided that if any officers of the Central and State Government or of Autonomous Bodies are appointed as Chairman or members of the Commission, he shall not be below the rank of Secretary of the State Government and shall not be below the rank of Joint Secretary of the State Government respectively.

(3) The Commission shall submit its recommendations to the Governor within six months of its constitution unless the Governor extends the period for the purpose.

(4) The term of the Commission shall expire immediately after the submission of its final report.

(5) The State Government shall by notification, appoint an Officer of the State Government not below the rank of Deputy Secretary to act as the Secretary to the Commission. The Officer so appointed shall be relieved of governmental duties so long as he performs the duty of the Secretary to the Commission.

4. Headquarters, accommodation, etc of the Commission.

The Headquarters of the Commission shall be at Gangtok.

The State Government shall provide office accommodation necessary staff and officers and also other amenities as may be required by the commission for its functioning.

5. Condition of service, salaries, allowances & other facilities.

(1) The Chairman and Member Secretary shall render full time service and either members shall render part time service.

(2) The Chairman shall be paid consolidated pay of Rs.10,000.00 (Rupees Ten thousand) per month and TA/DA at the scale payable to the Commissioner-cum- Secretary to the State Government.

Provided that this shall not prevent the Chairman from drawing pay in the scale of his last pay drawn on the date of retirement or immediately before his appointment as such, in lieu of the consolidated pay prescribed for the Chairman. Option once exercised shall be final.

Provided further that the Chairman who was in service of the Central or any State Government, Local Body, University or any other body wholly or substantially owned or controlled by the Central or State Government immediately before his appointment as member and was drawing pay more than the consolidated pay prescribed, his pay shall be fixed in the same stage of pay he would have drawn had he not been appointed as a member ;

Provided further that in the case of an appointment, as the Chairman, a person who has retired from service under the Central or a State Government, local Bodies, a University or

any other body wholly or substantially owned or controlled by the Central or a State Government and who is in receipt of, or has received or has become entitled to receive any retirement benefits by way of pension, gratuity in respect of previous service, the pay in the event plus gross amount of pension (including any portion of the pension which may have been commuted) shall not exceed the last pay drawn at the time of retirement as the case may be.

(3) The Chairman shall be entitled to free furnished governmental accommodation and conveyance as admissible to Commissioner –cum - Secretary to the Government.

6. Function of the Commission.

(1) The Commission shall review the financial position of the Zilla Panchayats, Gram Panchayats, Municipalities and Municipal Councils and make recommendations to the Governor as to:-

(a) determination of the principles which should govern :-

(i) the distribution between the State Government and the Zilla Panchayats, Gram Panchayat, Municipalities and Municipal Councils of the net proceeds to taxes, duties, tolls and fees levied by the Government which will be divided between them and the allocation between the Zilla Panchayat, Gram Panchayat, Municipalities and Municipal Councils 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 Zilla Panchayats, Gram Panchayats, Municipalities and Municipal Councils from the consolidated fund of the State

(iii) the grants-in-aid to the Zilla Panchayats, Gram Panchayat, Municipalities and Municipal Councils from the consolidated fund of the State;

(b) the measures needed to improve the financial position of the Zilla Panchayat, Gram panchayat Municipalities and Municipal Councils.

(c) The Commission shall also :-

(i) examine and make suggestions on the extent to which and the manner in which the resources available to the local bodies could best utilized for meeting the expenditure of the bodies;

(ii) make a detailed analysis of the repayment of loans and advances extended by the Government from time to time to the local bodies and make suitable recommendation for payment of Government dues and make the possibility of adjusting the dues against future devolution of revenue from Government to these bodies;


(d) in making its recommendations, the Commission shall have with regard to among other things, resources of the State Government and the demands thereon account of expenditure on civil administration, debt servicing, development and other committed expenditure.

7. Removal of difficulties.

If any difficulties arises in giving effect to the provisions of these rules, as occasion may arise, the State Government may by order do anything not inconsistent with the provisions of the Act or these Rules, which appear to necessary for the purpose of removing the difficulties.

Sd/-
Secretary
Rural Development Department.

SIKKIM



GOVERNMENT **GAZETTE**

EXTRAORDINARY
PUBLISHED BY AUTHORITY

Gangtok Thursday 31st August, 2017 No. 398

GOVERNMENT OF SIKKIM
URBAN DEVELOPMENT AND HOUSING DEPARTMENT
GANGTOK, SIKKIM

No: 05/GOS/UDHD/2015-16/10

Date:-10/06/2017

NOTIFICATION

One of the conditions laid down by the 14th Central Finance Commission for release of Performance Grants to Urban Local Bodies is benchmarking of services being provided by the ULBs. Presently only the solid waste management is being looked after by ULBs. The service level benchmarking targeted by the Urban Local Bodies in Sikkim for Solid Waste Management services for the year 2017-18 is hereby notified as follows.

GANGTOK MUNICIPAL CORPORATION:

Particulars	Coverage %	Collection Efficiency %	Extent of Segregation %	Extent of Recovery %	Extent of Scientific Disposal %	Complaint Redressal Efficiency %	Cost Recovery%
Original Target 2016-17	70	75	55	65	50	100	60
Revised Target 2016-17	80	75	40	40	30	100	25
Achievement 2016-17	80	75	50	40	35	100	27
Target 2017-18	85	85	40	50	40	100	50



93

NAMCHI MUNICIPAL COUNCIL:

Particulars	Coverage %	Collection Efficiency %	Extent of Segregation %	Extent of Recovery %	Extent of Scientific Disposal %	Complaint Redressal Efficiency %	Cost Recovery%
Original Target 2016-17	80	98	30	30	40	100	100
Revised Target 2016-17	70	80	30	30	0	100	70
Achievement 2016-17	80	90	30	10	0	100	80
Target 2017-18	80	85	35	20	10	100	75

NAYABAZAR-JORETHANG MUNICIPAL COUNCIL:

Particulars	Coverage %	Collection Efficiency %	Extent of Segregation %	Extent of Recovery %	Extent of Scientific Disposal %	Complaint Redressal Efficiency %	Cost Recovery%
Original Target 2016-17	100	80	25	40	40	100	60
Revised Target 2016-17	80	80	20	20	0	100	60
Achievement 2016-17	80	85	20	15	0	100	70
Target 2017-18	90	90	25	20	10	100	80

GYALSHING MUNICIPAL COUNCIL:

Particulars	Coverage %	Collection Efficiency %	Extent of Segregation %	Extent of Recovery %	Extent of Scientific Disposal %	Complaint Redressal Efficiency %	Cost Recovery%
Original Target 2016-17	70	80	30	30	20	100	50
Revised Target 2016-17	80	80	30	25	0	100	40
Achievement 2016-17	75	75	30	30	0	100	40
Target 2017-18	85	80	40	30	20	100	50



94

RANGPO NAGAR PANCHAYAT:

Particulars	Coverage %	Collection Efficiency %	Extent of Segregation %	Extent of Recovery %	Extent of Scientific Disposal %	Complaint Redressal Efficiency %	Cost Recovery%
Original Target 2016-17	100	90	55	85	50	100	70
Revised Target 2016-17	80	70	40	30	30	70	50
Achievement 2016-17	75	65	30	25	40	80	50
Target 2017-18	85	75	40	35	40	85	50

SINGTAM NAGAR PANCHAYAT:

Particulars	Coverage %	Collection Efficiency %	Extent of Segregation %	Extent of Recovery %	Extent of Scientific Disposal %	Complaint Redressal Efficiency %	Cost Recovery%
Original Target 2016-17	100	90	55	85	70	100	80
Revised Target 2016-17	100	80	40	35	40	90	60
Achievement 2016-17	85	70	30	30	35	75	60
Target 2017-18	100	85	50	40	40	80	65

MANGAN NAGAR PANCHAYAT:

Particulars	Coverage %	Collection Efficiency %	Extent of Segregation %	Extent of Recovery %	Extent of Scientific Disposal %	Complaint Redressal Efficiency %	Cost Recovery%
Original Target 2016-17	75	100	50	50	0	100	25
Revised Target 2016-17	75	80	40	25	25	85	65
Achievement 2016-17	75	80	40	25	25	80	80
Target 2017-18	80	85	50	30	30	90	85

By order and in the name of the Governor.

PCE-cum-Secretary,
Urban Development & Housing Department

S.G.P.G. - 398/ Com. 2/Gazette /100 Nos./ Dt:- 31.08.2017.



95

2. Status of implementation of the recommendations of the Fourteenth Finance Commission:

- a) **Levy of vacant land tax by peri-urban Panchayats and sharing of land conversion charges by State Government with municipalities.**

The Government does not levy vacant land tax.

- b) **A note on review and preparation of clear framework of rules for the levy of betterment tax.**

Presently no framework for the betterment tax has been prepared.

- c) **Steps taken to empower local bodies to impose advertisement tax and to improve own revenues from this source.**

Rural Local Bodies: Notification to this effect has been issued vide Notification No. 05/RM&DD/P dated 27.09.2010. Copy of the notification is placed at **Annexure II**.

Urban Local Bodies: As per State Gazette Notification No.GOS/UDHD/6(502)10/3 dated 29.6.2013, the ULBs have been empowered to collect charges for advertisement, banners, hoardings etc. as specified therein. The hoarding zones have also been specified. The revenue so collected is being retained and utilized by the ULBs.

- d) **Status on the structure of entertainment tax and action taken to cover more and newer forms of entertainment.**

Rural Local Bodies: Notification to this effect has been issued vide Notification No. 08/RM&DD/P dated 16.11.2016. Copy of the Notification is placed at **Annexure V**.

Urban Local Bodies: Entertainment Tax structure is being reviewed periodically. It was last reviewed for Cable Television in April, 2016. This function has been transferred to ULBs vide Notification No.GOS/UDHD/965 dated 3.9.2016. Most of the newer forms of entertainment like pubs, discotheques etc. have been covered on provisional basis. No notification for fixing of rates for pubs and discotheques has been issued, however, the entertainment tax is being levied on case to case basis with the approval of the Government.

- e) **Whether a ceiling of professions tax has been raised from Rs. 2500/- per annum to Rs. 12000/- per annum.**

No

- f) **A note on rationalization the service charges levied by Urban Local Bodies in a way that they are able to at least recover the operation and maintenance costs from the beneficiaries.**

Presently out of the four basic services, only Solid Waste Management has been transferred to ULBs. Sewerage, Water Supply and Drainage continues to be looked after by the Government Departments. Rationalisation in the Sanitation Sector has been carried out through review of rates during December 2017 vide Notification No.S(159)GOS/UDHD/San./2017/21 dated 1.12.17. Copy of the Notification is at **Annexure VI**.

- g) Whether the income from the royalties has been shared with Local Body in whose jurisdiction is mining done? If yes, provide the details thereof.**

No

- h) Whether local bodies have been permitted for issuance of municipal bonds as a source of finance?**

No



**GOVERNMENT OF SIKKIM
RURAL MANAGEMENT & DEVELOPMENT DEPARTMENT
GANGTOK**

NO:05/RM&DD/P

DATED: 27 / 09 /2010.

NOTIFICATION

In exercise of the powers conferred by Sub-Section (1) of Section 40 of the Sikkim Panchayat Act 1993 (6 of 1993), the State Government hereby fixes the taxes, rates and fees to be levied by the Gram panchayat as under, namely:

1. Household Tax @ Rs. 5/-, Rs, 10/- and Rs.15/- per month from each household- small, medium, and bigger respectively. For Resorts, hotel, restaurant, guest houses @ Rs. 2500/- per annum.
2. Water and Sanitation Tax @ Re. 1/- per month from each household.
3. Village Road and Environment Tax @ Rs. 2/- per month from each household.
4. Sale of Tender Forms as per Government norms.
5. Building Construction fee @ Rs. 2/- per Sq. ft. for RCC building and @ Re. 1/- per sq. ft. for Ekra /Kacha structure.
6. Other Miscellaneous Receipts (Bank interest, donation, disposal of unserviceable items, charges for use of Panchayat Ghars/ Conference Halls/ other properties etc.) (As per Panchayat resolution duly approved by Gram Sabha).
7. Trade License fees and hawker license fees as per UD&HD rates. (The licenses will be issued by GPs on fulfillment of required conditions as per Trade License rules).
8. Fees on Mela / Picnic etc. in rural area.(As per Panchayat resolution duly approved by Gram Sabha).
9. Fees for construction of temporary sheds for any kind of social gathering in public property.(As per Panchayat resolution duly approved by Gram Sahba).
10. Fees for minor dispute redressal. (Such redressal forum should be created in GPs.@Rs. 20/- per application/case)

2. Terms of reference:

- 1). All the above rates are recommended by the State Finance Commission and approved by the State Government. The Gram Panchayats may revise these rates on the recommendation of the Gram Sabha and approval of the State Government.
- 2) All receipt from fees, taxes or user charges shall be booked under the head prescribed to facilitate distinction of receipt as per the new Accounting procedure. No separate account shall be opened for the purpose.

Sd/-

A.K. Ganeriwala, IFS
Secretary



**GOVERNMENT OF SIKKIM
RURAL MANAGEMENT & DEVELOPMENT DEPARTMENT
GANGTOK**

NO: 08/RM&DD/P

DATED: 16 / 11 /2016.

NOTIFICATION

In exercise of the power conferred by sub-section (1) of Section 40 of the Sikkim Panchayat Act, 1993 (6 of 1993), the State Government hereby authorizes the Gram Panchayat to collect Entertainment Tax in accordance with the provision laid down in the Sikkim Entertainment Tax Act, 1980.

Sd/-

**(D.R. Nepal)
Secretary
Rural Management & Development
Department**



GOVERNMENT OF SIKKIM
URBAN DEVELOPMENT AND HOUSING DEPARTMENT
GANGTOK

No.S(159)GOS/UD&HD/San./2017/ 21

Dated: 1/12/2017

NOTIFICATION

In exercise of the powers conferred by section 7 of the Sikkim (Repeal and Miscellaneous Provision) Act, 1985 and in supersession of all earlier notifications issued on the subject, the State Government hereby specifies the following fees for removal of offensive materials and rubbish to be levied on commercial buildings, residential buildings and Government Offices falling under Urban Local Bodies in the State with immediate effect.

Sl. No	Types of Consumer		Charges per month (Rs.)		
			(Proposed Revised fee)		
			Municipal Corporation	Municipal Council	Nagar Panchayat
01.	Households		60/-	60/-	60/-
02.	Small shops		60/-	60/-	60/-
03.	Big shops		120/-	120/-	120/-
04.	Garages		600/-	600/-	500/-
05.	Hotels	Upto 5 rooms	300/-	250/-	200/-
		6 to 10 rooms	650/-	400/-	350/-
		11 to 15rooms	850/-	500/-	400/-
		16 to 20 rooms	1200/-	600/-	500/-
		more than 20 rooms	2000/-	1250/-	1000/-
06.	Offices having separate building (including Central Govt. office)		1000/-	750/-	500/-
07.	Secretariat	Home Department	1000/-	-	-
		Other Departments	700/-	400/-	300/-
08.	Online Lottery shops		400/-	300/-	200/-
09.	Petrol pump		700/-	650/-	500/-
10.	Private Hostel	Upto 10 beds	200/-	150/-	100/-
		11 to 20 beds	250/-	200/-	150/-
		21 and above beds	500/-	350/-	300/-
11.	Private Tutorials & Schools		200/-	150/-	100/-
12.	School	Upto Secondary Level	400/-	300/-	200/-
		Upto Senior Secondary	400/-	300/-	200/-



	Level				
		Additional fees for hostels	600/-	300/-	200/-
13.	Transport Company		400/-	300/-	250/-
14.	Carpenter shops		250/-	200/-	150/-
15.	Cinema Halls		750/-	600/-	500/-
16.	Restaurant	Medium upto 20 chairs	600/-	500/-	400/-
		More than 21 chairs	1200/-	700/-	500/-
16A)	Restaurants -	Small with 10 or less chairs	300/-	250/-	200/-
17.	Luxury Hotels	3 Stars	5,000/-	3500/-	2500/-
		4 Stars	5,500/-	4000/-	3000/-
		5 Stars	6,000/-	5000/-	4000/-
18.	Fabrication shops		700/-	500/-	300/-
19.	Company Guest House		500/-	400/-	300/-
20.	Fast Food				
20A)	Fast Food Large shops/Franchisee		800/-	600/-	400/-
		Small shops	300/-	250/-	200/-
21.	Big Bazaar/Departmental Store/Shopping Mall		6000/-	4000/-	2000/-
22.	Hospitals	Central Referral Hospitals	70,000/-		
		STNM	5,000/-		
		Other Hospitals(Govt.& Private)		800/-	500/-
23.	Clinical Laboratories		500/-	350/-	300/-
23A)	Clinical Laboratories				
24.	Casinos		5000/-		
25.	Factory/Bakery		500/-	400/-	300/-
26.	Pan Shops		300/-	200/-	100/-
27.	Meat shop		300/-	250/-	200/-
28.	Colleges	Degree/Diploma/Post Degree college	1500/-	1000/-	500/-
		Hostel with less than 100 students	3000/-	2000/-	1000/-
		Hostel with more than 100 students	5,000/-	4000/-	3000/-
			500/-	400/-	300/-
29.	Banks		200/-	200/-	200/-
30.	ATM		200/-	150/-	100/-
31.	Saloon		200/-	150/-	100/-
32.	Vegetable	Wholesale	300/-	300/-	300/-
		Retails	100/-	100/-	100/-



	shops			
33	Printing Press	300/-	200/-	100/-
34	Chintan Bhawan/Manan Kendra/Other Bhawan) (Per Programme)	500/-	400/-	300/-
35	Service Station	500/-	400/-	300/-
36	Automobile Dealers	Two Wheelers	400/-	300/-
		Four Wheelers	1000/-	750/-
37	Mela & Tombola(Per day)	700/-	600/-	500/-
38	Private Parking yard	400/-	300/-	200/-
39	Franchisee	300/-	200/-	100/-
40	Pharma Companies/Industries			
40(A)	Pharma Companies/Industries - Minimum	4000/-	4000/-	4000/-
	Maximum(Depending on the volume of waste)	7000/-	7000/-	7000/-
41	Provisional Stores (wholesale)	500/-	400/-	300/-
42(A)	Hardware Shops selling rods, cement & bricks	700/-	500/-	300/-
	Other hardware shops	500/-	400/-	200/-

* Extra charges shall be levied where offensive materials and rubbish is to be removed through headloads.
 Extra charges shall be levied for removal of offensive materials and rubbish on special request (i.e. not during routine schedule rounds).

PCE-cum-Secretary
 Urban Development & Housing Department
 Govt. of Sikkim



6. Whether market borrowing by local bodies- is permitted? If so, borrowings and outstanding liabilities during the last five years (for each level of Local Body) may be furnished.

The Sikkim Panchayat Act 1993 is silent on the subject. There is no information from any local bodies on the liabilities of market borrowing and outstanding liabilities.

As per the Sikkim Municipalities Act, 2007, all the ULBs would have to obtain the approval of the State Government to raise any loans. Till date, no borrowings have been raised by any ULBs.

7. Details of Guarantees given to Local Bodies over this period may also be given. Have there been any defaults requiring budgetary support? If so, details may be given.

No guarantees have been extended to any of the PRIs and ULBs in the State