Government of Rajasthan
Finance Department
(Finance Commission & Economic Affairs Division)

NOTIFICATION

The following order made by the Governor is published for general information :-

ORDER

In pursuance of the provision of Articles 243-I and 243-Y of the Constitution of India and the Rajasthan Panchayati Raj Act, 1994 and the Rajasthan Municipalities Act, 2009 the Governor is pleased to constitute a State Finance Commission consisting of Smt. Jyoti Kiran, as the Chairman Shri S.C. Derashri, Member Secretary.

2. The Chairman and other Members of the Commission shall hold office from the date on which they respectively assume office upto the 30th November 2015.

3. The Commission shall review the financial position of the Panchayats at all levels and make recommendations as to:

(a) the principles which should govern:

(i) the distribution between the State and the Panchayats at all levels of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which may be divided between them under Part-IX of the Constitution and the allocation between the Panchayats 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 at all levels; and

(iii) the grants-in-aid to the Panchayats at all levels from the Consolidated Fund of the State.

(b) the measures needed to improve the financial position of the Panchayats.
4. The Commission shall also review the financial position of the Municipalities at all levels and make recommendations as to:

(a) the principles which should govern:

(i) the distribution between the State and the Municipalities of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which may be divided between them under Part-IX-A of the Constitution and the allocation between the 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 Municipalities; and

(iii) the grants-in-aid to the Municipalities from the Consolidated Fund of the State.

(b) the measures needed to improve the financial position of the Municipalities.

5. The Commission shall identify the services rendered by the Panchayats (at all three different levels) and Municipalities fully or partly funded from their own resources (including general purpose transfers from Central Government through Central Finance Commissions and by State Government directly or on recommendations of the State Finance Commissions), standards of these services, normative requirements of funds for delivering these services at the standards recommended and the gaps in resources for rendering these services. The Commission shall also suggest the measures needed to generate own resources for delivering these standard of services.

6. The Commission shall also suggest the system of accounts maintenance and measures for better fiscal management consistent with the need for speed, efficiency and cost effectiveness of delivery of services;

7. In making its recommendations, the Commission shall have regard, among other considerations, to:

(i) the financial resources of the State and demands thereon, in particular, the need for providing adequate resources for
funding the plan expenditure for the overall development of the State;

(ii) adjustment of grants available to the Municipalities at all levels and Panchayati Raj Institutions under the recommendations of the 14th Finance Commission in their resources;

(iii) powers available to Panchayati Raj Institutions and Municipalities at all levels for raising additional resources, including powers to levy taxes;

(iv) the need to keep system of fiscal transfers from the State Government to Panchayats/Municipalities simple & easy to administer and for that purpose, consider transfers based on net own tax receipts of the State Government in place of share in individual taxes (except taxes which have strong tax payer residence linkage to respective Municipalities/Panchayats);

(v) the need of grants recommended to be directed towards improvement of standards of administration, keeping of accounts, maintenance of databases and mainstreaming of information technology in running of the affairs and delivery of services by Municipalities/Panchayats.

8. The Commission shall make its report available by 30th November, 2015, on each of the matters aforesaid, covering a period of five years commencing on the 1st day of April 2015. The Commission shall indicate the basis on which it has arrived at its findings and make available the estimates of receipts and expenditure of the Panchayats and the Municipalities at all levels.

29 May, 2015
Camp: Delhi

Sd/-
(Kalyan Singh)
Governor of Rajasthan

No. F5(1)FD/FC&EAD/SFC/2014

Jaipur, Dated: 30 May, 2015

(Prem Singh Mehrta)
Principal Secretary, Finance