

Proceedings of the virtual meeting held on 28th January 2025, from 11:00 AM to 3:00 PM, under the chairmanship of Shri A. P. Singh, Retired IAS, Chairman, State Finance Commission, at the NIC meeting hall. The discussion on the fund and functionaries with 49 Urban Local Bodies (ULBs) of all districts of Jharkhand on various issues as mentioned in the letter vide letter no 24<sup>th</sup> January dates 22.01.2025.

**1. Attendees:**

- i.
  - Dr Professor Harishwar Dayal, Member, State Finance Commission, Jharkhand
  - Representatives from 49 ULBs
  - Representatives from Piramal Foundation
- ii. The absence of one member of SFC and Secretary of SFC and the representative of UD&HD was also noted.
- iii. Attendance sheet is attached which has only noted the presence of ULBs administration. Many administrators cum CEO of MC and administration cum EO were absent remained.

**2. The reports received from ULBs are mentioned below in tabular form**

Sr No	Name of ULBs	Letter no /Date of report submission
1	Basukinath Nagar Panchayat, Dumka	116
2	Gumla Municipal Council	71
3	East Singhbhum, Jamshedpur	95
4	Dumka Municipal Council	45
5	Jugsalai Municipal Council, Jamshedpur	86
6	Chhatarpur Nagar Panchayat	98
7	Hazaribagh Municipal Corporation	246
8	Simdega Municipal Council	170(ii)
9	Bundu Ranchi, Nagar Panchayat	38
10	Kopali Municipal Council	107
11	Garhwa Municipal Council	212
12	Pakur Municipal Council	164
13	Chakradharpur Municipal Council West Singhbhum	92
14	Bokaro Municipal Council	88
15	Chakulia Nagar Panchayat	87
16	Bundu Nagar Panchayat	836
17	Hussainabad Nagar Panchayat Palamu	63
18	Hariharganj Nagar Panchayat Palamu	31
19	Manjhiaon Nagar Panchayat, Garhwa	69
20	Mango Municipal Council, Jamshedpur	112
21	Barharwa Nagar Panchayat, Sahibgunj	73
22	Giridih Municipal Council	101
23	Deogarh Municipal Council	211
24	Medininagar Municipal Council	380
25	Jamtara	76
26	Chatra Municipal Council	94

27	Madhupur Municipal Council	
28	Kopali Municipal Council	150/6-5
29	Shri Banshidharnagar Nagar Panchayat	88
30	Shri Banshidharnagar Nagar Panchayat	77
31	Giridh Nagar Panchayat, Giridh	114
32	Bisharmpur Municipal Council	45
33	East Singhbhum	136
34	Chaibasa Municipal Council	122
35	Ranchi Municipal Council	75
36	Dhanbad Municipal Council	113
37	Seraikela Nagar Panchayat	184
38	Jhumri Talaiya Municipal Council	67
39	Chaibasa Municipal Council	27/01/2025
40	Lohardagga Municipal Council	90
		28/01/2025

The report received from the ULBs will remain in the soft copy and will be placed on the portal.

3. Brief points were only noted as mentioned by the ULBs on the different issues that is being attached as the part of the proceedings. The main points which were largely common in nature and need the attention of the department and SFC are mentioned here.

**A. Manpower:**

- i. Many Eos and other officers selected by JPSC in the municipal service, but they are not provided status of government employee/officer and their service condition is not being decided about GPF etc. Regular salary payment is also not possible. There is arrears of salary for a few month as reported.
- ii. Most ULBs were unanimous that there are lot of vacancies against sanctioned posts that's why they are able to meet their establishment cost to some extent but still facing resource gaps and the government support is not adequate. However, the regular recruitment in being done on large scale by UD & HD via JPSC & JSSC and this is going to create a huge deficit of resources for the payment of salary which need to be supported by the State Government in the given circumstances.
- iii. All ULBs are required to submit a detailed status report on the issue of financial deficit after filling all sanctioned positions/posts.
- iv. UD & HD has communicated to stop grants and loan for establishment expenditure after FY 26-27. This was requested to be revoked in the given circumstances as mentioned above in 3A.

**B. Office Space:**

- i. Mostly ULBs have expressed concern about office space crunch after fresh recruitments. This needs to be addressed on priority basis. Those ULBs which has no office and/ or office is not in good shape, such must be taken on priority.

**C. OSR**

- i. The property tax appeared as a major source of revenue to all ULBs. This needs a more systemic approach to ensure 100% compliance. There is a wide gap exist

between the number of holdings registered for property tax and number of water connection given. This is a serious issue for ULB and their designated power under JMA u/s 70

- ii. Introduction of new revenue sources like electricity surcharge, stamp duty etc. need to re examine by the UD & HD.
- iii. In **SPT** area there is **none saleable** land which is adversely affecting the OSR by approval of building plan
- iv. **CNT free lands** are also limited to certain ULBs and situations like C(iii) exist in such areas.
- v. All ULBs have raised issues of OSR from **contract award** etc. which were coming to respective ULBs immediately after completion of tender process but after implementation of centralized and digital payment system of the ULBs , the share is not being transferred to the respective ULBs. This is an loss to ULBs. This needs to address immediately.
- vi. **Advertisement** is another source of revenue Koderma has mentioned that they have adopted as best practice. The UD & HD may comprehensively review and implement a uniform system across all ULBs.
- vii. **Non payment of holding tax by the Government Authority** and offices.
- viii. JhumriTelaiya ULB was asked to share its drafted advertising rules and guidelines for monitoring the advertising process. This would help streamline operations while enhancing revenue generation.
- ix. The Government of Jharkhand and few CPSE and most SPSEs are **not paying property tax**. There is huge arrears exist as reported that a comprehensive details was shared by the principal Secretary UD&HD which amount to Rs 63.93 crores for the all the ULBs of the State.
- x. **All holdings must** be part of software either such are eligible for the payment of holding tax or not. Even non-building holdings must be covered and assessed.
- xi. **None of the ULB** were absolutely sure that all holding/properties constructed in municipal areas are part of the list of the holding tax portal. There is **no integration** of software which is used for the **approval of building plan**, issue of occupancy certificate and creation of new holdings.
- xii. A detailed report was asked to share for further intervention on corrections and reassessment on the building plan management system, where 10% of total fee only goes to the ULB and 90% to the Labor Department as labour cess, despite ULBs handling most tasks. This may be examined by UD & HD with reference to other state & big ULBs.
- xiii. The ULBs (wherever applicable) were suggesting to explore the potential of **pilgrim taxes** as an additional revenue source
- xiv. It was suggested that more public parks can be established to generate more revenue.
- xv. **Municipal bodies** situated away from **district headquarters** or sub division headquarters have reported lack of revenue generation opportunities and need more resources to fulfil the obligation given under JMA 11 and amended 2011 properly as Municipal bodies

- xvi. In areas where organizations like CCL or similar entities own 70%-80% of the land within a ULB, it was proposed that post-mining land leveling be undertaken by these organizations. They could then develop green parks through CSR initiatives and hand them over to the ULBs, which would be responsible for maintenance and revenue generation.
- xvii. Properties are being put to **commercial** use but not classified same in property tax portal because taking a trade license is optional and application based. No organized intensive verification is done by the ULBs.

#### D. Promotion of Solar and other new and renewable sources of energy

- i. ULBs were recommended to explore opportunities for installing solar panels in street lights to reduce dependency on traditional source of power electricity. This initiative would help to minimize external electricity procurement and allow for the redistribution of surplus energy to areas of the state which are facing power shortages. A phase-wise implementation of such an initiative was suggested.

#### E. Inter departmental coordination related to budget

- i. There is a dispute of collection of holding/ property tax, water charges etc. from the unit of industrial area authority, market Committee etc. which are of falling under Municipal boundaries. It can be addressed by the Inter departmental coordination meetings. There is an order of Hon'ble Jharkhand High Court in the matter of the Adityapur ULB. This is reported to be the issue of other ULBs as well. UD & HD must take up the issue at appropriate level and get it addressed for ever.
- ii. At regional level the training **facilities of department of Panchayati Raj** may be used by entering into MoU. The course content, training etc. may be chosen by the administrative department.
- iii. There is a certain area of conflict with the other departments.
  - a. Transfer of **water bodies** from the department of Agriculture, Animal husbandary and **fisheries** to the ULBs
  - b. Auction of **Balughat** and division of resources between PRI and department mines and geology
  - c. Disputes are on the ownership of GM land between PRI and ULB
  - d. Holding tax between holding belonging to the industrial Area Authority and ULB and similar issue between Market board and ULBs.
  - e. **Entertainment tax** compensation after implementation of GST between ULB and Commercial tax .
  - f. Running of **Water Supply Schemes** between ULB and DWS in general and , water supply schemes which are supplying jointly to PRI and ULB, the ownership of such scheme should be decided and a model of revenue sharing may also be decided.
- iv. Dispute between **railway holding** and ULBs – Chakradharpur and Sahibgunj
- v. Chaibasa MC raised issues of denotification of area, but services are being given to the area by MC. This is among oldest ULBs of the state.

#### F. Drinking water, Parks etc

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- i. There are ULBs which has no pipe water supply scheme such as Bansidharnagar (Garhwa).
- ii. Issue of dry zone (Chatra) so, water supply is a constraint in Summer.
- iii. The pipe water supply is among the most important facilities of the ULBs. The situation is different at different ULBs but **none of the ULBs have achieved 100% coverage** of pipe water coverage. There are lot of schemes are sanctioned under different funding sources need to be monitored regularly and timeline must be respected by all the parties under the contractual obligations.
- iv. There must be a proper system of monitoring of the running water supply schemes. The SCADA system must be implemented.
- v. Adequate institutional mechanism of state, regional and ULB level must be created to handle this issue in the integrated system.
- vi. Normally the water supply is an capital intensive activity and its O&M is revenue intensive in expenditure term. The revenue/ user fee is absolutely inadequate to even meet the O&M cost. The department must study comprehensively and make a sustainable policy for the **fixation of user charges**.
- vii. Department of UD & HD and ULBs must take necessary steps to ensure 100% coverage of the pipe water supply in 21<sup>st</sup> century to all urban households with projected growth upto 2047.

### G. Institutional mechanism

Status of regulations:

- i. Municipal Establishment Audit Commission
- ii. Jharkhand Property Tax Board (Section 153)
- iii. Municipal / Lokpal/Ombudsman (Section 63)

Above may ensure public confidence and accountability of ULBs. These institutions need to be operational as the provisions of the JMA 2011 mandate.

### H. Magazine Publication:

- i. As a new initiative, JhumriTelaiya and Koderma ULBs are planning to launch a monthly magazine featuring citizen ideas. Additionally, they intend to recognize and promote the best ideas suggested by citizen, establishing it as a best practice model. This efforts need to be promoted to ensure wide participation of the public in Urban Governance and this may motivate many tax payers and employees as well.

### I. Public facilities

- i. It is suggested that Open gyms to be installed to provide free access to the public to encourage fitness for those who can't afford it.

### J. Other initiatives

- i. Huge arrears of electricity bill in all the ULBs for streetlights need to be cleared and UD & HD maytake necessary steps to get it resolved.

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ii. DMFT and ULB coordination needed to create better facilities for public and beautification of town with ecological improvement and environmentally sustainable manner.

iii. Promotion of rainwater harvesting, conservation of water, cleaning of water bodies, increasing the capacity of existing water bodies, removal of encroachment from water bodies on old maps etc. Water harvesting in open fields be promoted and ensured.

### K. Training

- i. Training facilities are nonexistent in UD & HD. Such facilities must be created at State levels. Related offices must be trained periodically.

Note:

(i) Attendance as noted on VC is annexed . (Annex -I)

(ii) Actual report with some inputs received from 40ULBs and 9 ULBs had not submitted the report at all in sprit of time given

(iii) ULB wise issues were also raised which is part of the proceeding as recorded in (Annex-II).

*H. Dayal 28/01/2025*  
**(Harishwar Dayal)**  
Member

*Amrendra Pratap Singh 28/01/2025*  
**(Amrendra Pratap Singh)**  
Chairman

Memo No : ...*55*.../...*31/0*...

Ranchi, Dated :..*24/02/2025*

Copy to- Principal Secretary, Department of Urban Development & Housing Department / Secretary, Finance Department for information.

*Kaushal 24-02-25*  
Deputy Secretary  
State Finance Commission.

Memo No : ...*55*.../...*31/0*...

Ranchi, Dated :..*24/02/2025*

Copy to- CEO Cum Administrator, Municipal Corporation, Ranchi/ Deoghar/ Medininagar/ Giridih/ Hazaribag/ Dhanbad/ Chas(Bokaro)/ Mango(Jamshedpur)/Adityapur (Saraikela- Kharsawan) for information & necessary action.

*Kaushal 24-02-25*  
Deputy Secretary  
State Finance Commission.

Memo No : ...*55*.../...*31/0*...

Ranchi, Dated :..*24/02/2025*

Copy to- All DC to forward the copy to Municipal Council & Nagar Panchayat under your Jurisdiction.

*Kaushal 24-02-25*  
Deputy Secretary  
State Finance Commission.