

PUBLIC NOTICE

No. FEA (VII-SFC) 1/2024/12

Dated Dispur the July 23, 2024

The Seventh Assam State Finance Commission (7th ASFC) has been constituted by the Government of Assam under the Chairman Lieutenant General Rana Pratap Kalita, PVSM, UYSM, AVSM, SM, VSM (Retd.), vide Notification No. FEA(SFC) 31/2023/138 dated 01/07/2024 with the following terms of reference:

2. The Commission shall make recommendation as to the following matters:-
 - a) The principles, which should govern-
 - i) the distribution between the State of Assam and the Panchayats and Municipalities of the net proceeds of the taxes and duties, levied and collected by the State;
 - ii) the determination of the taxes, duties, tolls and fees, which may be assigned to, or appropriated by, the Panchayats and 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 and Municipalities with special references to:-
 - i) the potential for Local Governments to raise funds from financial institutions and the market, and to suggest a mechanism and frame work for realizing the potential;
 - ii) improving the quality of upkeep of assets owned by Local Governments as well as those transferred to Local Governments;
 - iii) improving the financial position of the Panchayats and Municipalities with special emphasis on rationalization of taxes and revenues and user charges collected by Local Governments with innovative methods;
 - iv) achieving economy and efficiency in expenditure by Local Governments;
 - v) providing incentives for higher mobilization of own resources by the Local Governments;
 - vi) maintaining a proper fiscal data base relating to Local Governments;
 - vii) putting in place measures required for improving the capacity of financial management by Local Governments;
 - viii) improving monitoring of the fiscal performance of the Local Governments;
 - ix) improving the measures for quality of service delivery of Local Governments in respect of State Government as well as Local Government programmes;
 - x) Examine the feasibility and make recommendations on creation of urban infrastructure and other civic amenities by the Urban Local Bodies through Public-Private partnership and exploring avenues of viability gap funding.
 - c) Any other matter referred to the State Finance Commission by the Governor in the interests of sound financial position of the Panchayats and Municipalities.
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 State Government, the demands thereon, in particular, the expenditure of the State on maintaining law and order, civil administration, pension, debt servicing including the debt servicing on behalf of Local Bodies and other committed expenditure and need to generate adequate surplus on revenue account for capital outlay and the commitment for maintaining fiscal targets as per Assam FRBM (Amendment) Act, 2022;
 - iii) the revenue of the resources of the Local Bodies for the five years commencing on 1st April, 2025 on the basis of the level of collection made during 2019-20 from taxes, duties, tolls, fees, cess etc. levied by the them;
 - iv) The impact of the GST, including payment of compensation for possible loss of revenue for 5 years and abolition of a number of cesse, earmarking thereof for

compensation and other structural reforms programme, on the finances of Centre and States;

- v) The commission may consider proposing measurable performance-based incentives for Local Bodies and councils.
4. In making its recommendations on the various matters aforesaid, the Commission shall adopt the population figures of that Census for which PRI-wise and ULB-wise figures are available in all cases where population is regarded as a factor for determination of devolution of taxes and duties and grants-in-aid.
 5. 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.
 6. The Commission shall prepare its report on the basis of the Templates of the 13th Finance Commission of Government of India, with such modifications as may be necessary.
 7. While making assessment of the resources of the Local Governments, the Commission shall also make recommendation on devolution and grant-in-aid for the Local Bodies of the three Autonomous Councils under the Sixth Schedule.
 8. The Commission shall make its report available to the Governor of Assam by **16th December, 2024** on each of the matters aforesaid, covering period of five years commencing on the 1st April, 2025.

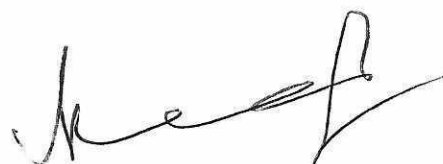
The Seventh Assam State Finance Commission invites views and suggestions on issues related to terms of reference from the members of the general public, institutions and organizations in writing by **31st August, 2024** to Shri Hemanta Kumar Dewri, Member Secretary, Seventh Assam State Finance Commission, Finance Department, 1st Floor, Block-F, Janata Bhawan, Dispur, Guwahati- 781006. Views and suggestions can also be sent by email in the address below.

Other contact details for communication are given as below:-

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- (2) Shri Mati Lal Sarkar,
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(Hemanta Kumar Dewri)
Special Secretary to the Govt. of Assam
Finance Department
&
Member Secretary,
Seventh Assam State Finance Commission