

## CHAPTER- II

### MUNICIPAL REFORMS IN WEST BENGAL

#### SECTION-A

#### ***A Brief Historical Overview***

Representative urban local government in India owes its origin to the exigencies and requirements of the British rule. The two dominant considerations that led the colonial rulers to establish local government institutions in India were the administrative problems due to the large size of the country and the paucity of finances of the imperial power.<sup>1</sup> The Bengal Presidency, of which the present state of West Bengal formed a part, was the centre stage of evolution of municipal governance in the country under the British rule. The first municipal legislation – Bengal Act of 1842, was enacted outside the presidency towns in Bengal in 1842. The Act was applicable to a town where two-thirds of the total households applied for it. This Act wanted to make better provisions for public health and convenience by the local government. The Improvement of Towns Act of 1850 and the Police Act of 1856 were the subsequent attempts to further the municipalization of towns in the Bengal Presidency.<sup>2</sup>

Lord Lawrence's Resolution of 1864 provided an important booster to the extension of local governments to other areas of the Bengal presidency. In 1864, The Bengal Municipal Improvement Act was enacted to deal with the sanitary problems of bigger towns. Under this Act, the municipalities were made responsible for improving civic amenities, education and other local functions. For the first time the Act specified house tax and taxes on vehicles as sources of municipal revenues.<sup>3</sup>

In response to the growing urbanization, the municipal administration was extended to smaller towns in 1868, with the passing of the District Town

Act. The Act provided for the constitution of municipal committees with the district magistrate as the chairman and five non-official members, to be elected by the residents of the town. In 1873, through the Bengal Act, larger towns were also granted the privilege of an elected local body.

Another important milestone in the history of municipal governance in Bengal was the Lord Mayo's resolution of 1870. The Act recognised local self-government as effective machinery of administrative devolution. Financial decentralization was viewed as an aid to economy in and efficiency of local administration. In 1876, the above mentioned four municipal Acts were enduring in Bengal, consolidated in a new municipal legislation. Under the Mayo's Resolution, all the municipalities were classified in to three district groups- class-I and class-II towns and class-III Unions and Stations. It gave more autonomy to the local authorities. The Act provided that, two thirds of the members of a municipal board would be elected and the member of officials among the nominated members would be not more than one fourth. The Act also extended the right of having an elected Vice-chairman to the municipal board. Mayo's Resolution aimed at financial decentralization at the local level and sought to levy taxes on markets, bridges, ferries, metal roads etc to enhance the municipal incomes on the expenditure area, the Act emphasized on identifying priority areas.<sup>4</sup> By 1873, 184 municipalities in the Bengal Presidency were governed by the following four different legislations –

**Table-1**

**Name and Number of the Municipal Acts**

Name of Act	No. Municipalities
1. Town Development Act 1850	1
2. Town Police Act 1856	68
3. Bengal Municipal Improvement Act 1864	24
4. District Town Act 1868	91
Total –	184

**Source:** *Report of the W.B Municipal Finance Commission – 1982*

The most important landmark in the development of municipal local government under British rule was Lord Ripon's Resolution of 1882. A new

municipal legislation known as – Act-III of 1884, further liberalized the policy towards local governments. The Act of 1876 was replaced by the above mentioned Act of 1884. The new Act made some fundamental alterations in the structure, functions and responsibilities of municipal governments as follows:

- i) The Act clearly defined the criteria for municipalisation of an area, which included total population, density and occupational structure;
- ii) It was envisaged for the first time that all members and the chairman of a local body must be elected by the people of the concerned town, and
- iii) Local bodies were to have certain local sources of revenue and grants from the provincial government in order to carry out their functions. For the first time service taxes like water rate, Scavenging rate and lighting rate were introduced along with the holding tax.

However, even though an elective principle was introduced in a major way, through the Ripon Resolution, State control on the municipalities was not totally abolished. The district magistrate was empowered to suspend the implementation of municipal resolutions. The government was also empowered to supersede a municipal board on grounds of incompetence, default in performance or abuse of power.

The Act of 1884 remained in action for almost half of a century. In 1923, Surendranath Banerjea, the then Minister-in-Charge of local self government of the Bengal Provincial Government drafted an alternative bill, but it could not be passed in the Bengal Legislative Council. In 1932, the same bill was passed known as the Bengal Municipal Act-1932. Although the said act was amended several times since its birth, it remained in force till 1993 when the West Bengal Municipal Act 1993 replaced it.

The Bengal Municipal Act- 1932 brought about several innovative changes in municipal governance in the presidency. The following basic features of the Act highlight the process of decentralization as was set in the Act of 1932.

**i) *Organizational Structure and Membership:***

The proportion of elected members on the board was increased from two-thirds to three-fourths, and upto even four-fifths in certain advanced municipalities. The government was empowered to nominate all the members for a period not exceeding one year for a new municipality. The extent of franchise was liberalized by giving women the right to vote.

**ii) *Reduced Government Control:***

The control exercised earlier by the Divisional Commissioner was replaced by the government's direct power of dissolution temporary take over a defaulting department of a municipality and supersession.

**iii) *Functional Responsibilities:***

Apart from granting wider powers for overall improvement of the performance of municipal bodies, other responsibilities like birth and death registration, opening of municipal markets etc. were delegated. On the other hand, establishment of municipal courts and works of public utilities were removed from the list of municipal functions.

**iv) *Financial Reforms:***

Taxes on persons were abolished, but provisions were made for assessing property taxes by a panel of assessors suggested by the government.<sup>6</sup>

## SECTION – B

### ***Municipal Reforms in Post-Independence***

#### ***West Bengal before 1990s***

The post-Independence era witnessed repeated amendments to the Bengal Municipal Act of 1932 in order to face the challenge of rapid urbanization in the state. In between 1960 to 1980, the act under went twenty amendments. The 1962 Amendment of the Act introduced universal adult franchise in local body elections.<sup>7</sup>

The amendment of 1980 effected by the Left Front Government, which came into power in West Bengal in 1977, was however, more far reaching than

the earlier ones. It not only changed many of the earlier provisions of the Act but also added a number of new provisions. It was a watershed in the changing scenario of municipalisation in the state.<sup>8</sup> Some provisions of the Bengal Municipal (Amendment) Act of 1980 were enforced from 2<sup>nd</sup> April 1981, others came into effect from October 1982. The main features of the amendments were as follows:

- (i) The amendment of 1980 to the BMA – 1932, made the criteria for creating new municipalities more stringent. An area was to be declared a municipality only when – (a) Three-fourths of its adult population were engaged in non-agricultural occupation; (ii) an area had a population of ten thousand and above and a density of two thousand inhabitants for every 2.59 sq. km. and (c) the town had adequate municipal income from taxation and other sources to meet the expenditure for municipal services and functions.
- (ii) The amendment provided for a progressive tax structure.
- (iii) A broad list of municipal functions was introduced to include the items relating to commercial, cultural, civic beautification and welfare activities of the municipalities.
- (iv) The right to vote for the first time extended to all the residents of a municipal area who had reached the age of eighteen years.
- (v) The 1980 amendment stated that, since the municipal personnel were not well equipped and trained to cope with the massive development programmes, the state government would depute its officers at its own cost to maintained four key positions in a municipality namely, those of Executive Officer, Health Officer, an Engineer and a Finance Officer. The officers would be under the administrative control of the board of Councillors of the concerned municipality.<sup>9</sup>

The Bengal Municipal Act 1932, was again amended in 1982, which included the issues as the constitution of municipalities, electoral rolls, supersession of a local body and so forth. It limited the power of the

government to supersede a municipal body to a period of one year at the first instance and six months in the subsequent period.<sup>10</sup>

## SECTION – C

### ***Institutional Changes in Urban Development Administration***

Besides legislative changes relating to local urban bodies in West Bengal, urban governance underwent major institutional overhauling in the 1970's and 1980's to meet the emerging challenges of rapid urbanization. Municipal administrative reform was the core of this evolutionary process. The West Bengal Mission obtained the assurance of the government of West Bengal for major legislative and institutional reforms in the following areas: (a) improvement of the resource base of local bodies; (b) introduction of better financial management practices, and (c) cost recovery and sound operations and maintenance in the delivery of urban services. To achieve the above objectives the following measures were initiated by the government:

#### ***(i) Central Valuation Board (CVB):***

The West Bengal Central Valuation Board Act was passed in 1978 with a view to improving the valuation of lands and buildings in the state for the purpose of increasing revenue from property tax. Consequently, the Central Valuation Board came into being in 1979 to discharge the above mentioned functions.

#### ***(ii) Decentralized Development:***

The representative character of local governments was restored after a lapse of nearly one and half decade. Municipal general elections were held after a long gap in 1981. Decentralization of local governments was given further boost during the late 1980's. The third Calcutta Urban Development Project which started in 1983-84 allocated 40% of the total programme fund to the Municipal

Development Programme. Under the MDP, the municipalities were to plan as well as implement development programmes under the guidance, supervision and monitoring of the CMDA.<sup>11</sup>

**(iii) Municipal Finance Commission:**

The West Bengal Municipal Finance Commission was set up in 1979. It studied in detail the municipal finances in the state. Its monumental report came out in 1982 contained recommendations for augmenting municipal revenues, improving operational efficiencies and accounting, and correcting organizational and management systems, etc. The West Bengal Municipal Finance Commission was an important landmark in the municipal reform process in the state as follows:

- (a) The West Bengal Municipal Finance Commission 1982, suggested an extensive restructuring of property tax and advised imposition of a tax analogues to the property tax with a varying rate structure for different zones, or an increase in license fees on property used for non-residential or commercial purposes. It suggested extension of the 'straight-line' system for property tax structure to all municipalities in the state. The WBMFC clearly stated that the service charge and holding rate should be extended to both central and state government properties, which were otherwise exempt from property taxes.
- (b) The Commission recommended imposition of a state-wise entry tax chargeable on goods entering any municipal area, to be collected by the state government and distributed among local bodies according to a pre-determined formula.
- (c) The Commission suggested reduction of grants from the state and emphasized that tax sharing and grants-in-aid should be linked to the financial performance of a municipal body.
- (d) Capital assistance from the state to the local bodies would depend on their capacity to maintain and operate created the assets.<sup>12</sup>

The process of financial reforms in urban local bodies, which was initiated in the early 1980's, continued up to the Second Municipal Finance

Commission was set up in 1988 and came out with its recommendations in 1992. The later Commission also suggested wide-ranging measures for improving the financial position of urban local bodies.

**(iv) Departmental Reorganization:**

The Left Front Government in West Bengal replaced the name the 'Local Government and Urban Development Department' by 'Municipal Affairs Department', the latter connotes a wider concept. Municipal Affairs Department created four wings to help the municipalities to perform their functions more efficiently. The Directorate of Local Bodies is concerned with all administrative and legal matters besides the administering of municipal acts. The Municipal Engineering Directorate provides technical assistance to local bodies. The Central Valuation Board revises the assessment of property tax every four years and the Institute of Local Government and Urban Studies is assigned the responsibility of training the personnel and functionaries at different levels of municipalities and developing a data bank on municipal affairs for research.<sup>13</sup>

**(v) Revised Grant Structure (RGS):**

In order to streamline the financial performance of local bodies, a revised grant structure (RGS) was introduced by the government in April 1983. The RGS laid emphasis on performance – related grants, with both incentive and disincentive mechanisms. The RGS was adopted for ensuring better fiscal discipline among the municipalities. It find out the minimum performance criteria in revenue collection in order to judge the revenue gap of a municipality and determine the level of grants-in-aid from the state. The minimum performance targets were – (a) collection of current and arrear demands of property tax should improve by five percent every year until the percentages reach 75 and 50 respectively; (b) revenue from other tax sources should also have an annual growth rate of five percent; (c) revenue expenditure on salaries and wages should not grow by more than 5 percent in a year and (d) other recurring expenditure should not increase by more than 10 percent.<sup>14</sup>

The revenue gap thus determined was to be filled by the state government, first, through statutory transfer from shared taxes i.e., entry tax,

motor vehicles tax, etc. and the residual gap by transfer from the general revenue fund of the government. The gap between revenue income and revenue expenditure for each municipality was to be projected for each year well in advance. The key indicator of financial performance was the difference between the projected gap and the actual gap. The rationale was that if the actual was more than the projected gap for a local body, it would not be entitled for any assistance for capital expenditure. On the other hand, the local body would be rewarded by capital assistance equal to the gap between the projected and actual gap. In both instances, therefore the transfer from the state government would depend on the projected gap which was to be determined entirely on the basis of fiscal performance of the local body.<sup>15</sup>

The Revised Grant Structure was not just a mechanism for motivating urban local bodies to improve their performance in internal income generation, but it became a tool in the hands of the state government to enforce rigid discipline on the local bodies in respect of fiscal matters through its built in penalty criteria. Instead of giving financial autonomy to urban local bodies, the government used it to remove the element of flexibility and discretion.

## SECTION -D

### ***Seventy Fourth Constitution Amendment Act, 1992:***

#### ***Municipal Reforms in West Bengal In 1990's***

Rapid urbanization in the state over the past few decades is witnessed in the growth of municipal bodies. The number of municipal towns have gone up from 93 in 1951 to 122 in 2000. The distribution of CMA and non-CMA municipalities in the state may be shown in the following table:

**Table No. 2**  
**Distribution of Urban local bodies in CMA and non-CMA areas in**  
**2000**

Local Body	Number		
	CMA	Non-CMA	Total
1. Municipal Corporation	3	3	06
2. Municipality	36	77	113
3. Notified Area Authority	----	----	03
<b>Total</b>			<b>122</b>

**Source:** *Brief of MIC Municipal Affairs and Urban Development Department, Government of West Bengal, 2000-2001.*

The introduction of a new act in 1993 for the governing of municipalities in West Bengal was a landmark in the history of municipal reforms in the state. The need for replacing the Bengal Municipal Act 1932 was felt on various grounds. Having originated in the pre-independence period, it could no longer fulfill the aspirations of the growing urban population even after several amendments since independence as these amendments had to be made within the existing framework of the said act.

The BMA Act of 1932 was replaced by the West Bengal Municipal Act 1993. The relevant bill was still awaiting the President's assent when the 74<sup>th</sup> Constitution Amendment came into force. As a result, it incorporated the provisions of the 74<sup>th</sup> Amendment Act and the revised bill was passed by the State Assembly in 1993. Subsequently, the 1993 Act was further amended in 1994, 96, 97, 99 and 2000, in order to remove the deficiencies encountered during its implementation.

The West Bengal Municipal Act 1993, introduced wide ranging alterations in municipal governance in the State. Various academicians, constitutional experts acknowledged that, the act is way ahead of similar acts of other states in respect of structure, autonomy of municipal governments, decentralization of power and functions. The basic features and goal of the reforms as are highlighted in the Act may be analysed in the following paragraphs.

**(i) Constitution and Structure of Municipality:**

Urban local bodies in the state are now of three types, Corporations, Municipalities and Nagar Panchayats (Notified Area Authority). The

municipalities again have been classified into five categories on the basis of population.

**Table No. 3**

**Category of the municipalities on the basis of population**

Population	Group of the Municipality
Above – 2,00,000	A
1,50,000 – 1,99,999	B
75,000 – 1,49,999	C
25,000 – 74,999	D
Less than 25,000	E

**Source:** *Urban West Bengal, 1996-97. ILGUS. Calcutta.*

A town may be declared a municipality only when it has (a) a population of not less than 20,000; (b) a density of not less than 750 inhabitants per sq. km.; (c) more than one half of the adult population must be engaged in non-agricultural pursuits and (d) sufficient municipal income from taxation and other sources to discharge municipal functions and services assigned under the West Bengal Municipal Act 1993.<sup>16</sup>

In line with the Mayor-in-Council or the Cabinet System introduced in 1980's in the Calcutta and Howrah Municipal Corporations and later extended to other corporations, the municipalities in the state have been provided with the Chairman-in-Council system. At present, the municipal authority is vested in – (a) municipality; (b) Chairman-in-Council and (c) Chairman.

The 'municipality, refers to the board of councillors, which is the overall authority of municipal governance in the town. The 'Chairman-in Council' is the body corporate which functions as executive authority. The 'Chairman' is the executive head of the municipality. The Chairman-in-Council is collectively responsible to the municipality.<sup>17</sup>

The concept of democratic decentralization underlying this three-tier system of municipal governance was further extended in the Constitution of a 'Borough Committee' and a 'Ward Committee' below the level of the municipal

council, for towns with a population of more than 3 lakhs. Municipalities with a population of less than 3 lakhs may also constitute ward committee if they so desire. While the constitution of the ward committee is mandated in the Constitution Amendment Act 1992, the introduction of Borough Committees which was till then confined to corporations in municipality was a unique feature of the state act. Each 'Borough' in a municipality was to consist of not less than six contiguous wards and the Borough Committee would comprise of the elected members from the constituent wards. One of its members would be elected as its Chairman. The Borough Committee was to be under the supervision of the Chairman-in-Council and would discharge the municipal functions within its territorial jurisdiction. The provision of Borough Committees, however, has been replaced by a subsequent amendment in the 1993 Act and now there are only Ward Committees below the municipal level.

There was a general practice of constituting Ward Committee in municipalities even before the 74<sup>th</sup> Constitution Amendment Act 1992, although it was optional. However, the WBM Act 1993, made this provision mandatory for municipalities within a population of 3 lakhs and above. Later, it was mandatory for each municipality irrespective of its population to constitute a ward committee in every ward. The Directorate of Local Bodies of the State Government has formulated rules in connection with the formation of a Ward Committee.<sup>18</sup> The rules empower the councillor elected from the ward to act as the Chairman of the committee and to select its other members from within his ward. The Chairman of the municipality has also been given the power to nominate a certain number of members to each ward committee.

The rules provide that a ward with a population of 2,500 will have four members besides its elected Councillor on the committee. One additional member will be selected for upto an additional population of 500 subject to the condition that it will not be less than 250. Maximum number of members, excluding the councillor may be 14. According to the directions of municipal rules, the nomination of ward committee members will be as follows:

Table No. 4  
Number of Members of a Ward Committee and Members to be  
Nominated by the Chairman

Total No. of members in the ward Committee besides the Chairman	To be selected by the Councillor	To be nominated by the municipality
4	3	1
5 to 11	3 to 9	2
12 to 14	9 to 11	3

Source: *The Calcutta Gazette* – 30<sup>th</sup> January 1995, Notification No. – 896.2.

Members of the Ward Committee will be drawn from among educationists, social workers, cultural activists, sports persons, women from backward sections etc. who are residents of the ward.

The committee is to meet once a month. To establish contact with the people and to assess the needs of the ward, the committee will convene an annual general meeting, which will be open to all the residents of the ward.

The functions for the Ward Committees have been listed but these are only supervisory in nature. Although the list includes planning and various obligatory and discretionary functions, the Ward Committees role in them is confined to helping the municipality. There is no mention of any financial allocation for Ward Committees unlike in the case of Borough Committees in the Calcutta Corporation have an yearly financial allocation of Rs. 1.25 lakhs for infrastructure development.<sup>19</sup>

## **(2) Municipal Tenure:**

In conformity with the 74<sup>th</sup> Constitution Amendment Act 1992, the Bengal Municipal Act 1993 provides that, no municipality can be superseded by the government. It may be dissolved only on the condition that the municipal board will be given a proper hearing before dissolution and fresh election will be held within six months of date of dissolution. This is a significant improvement over the previous municipal act, which empowered the state to supersede a municipality or a corporation on any flimsy ground and permitted the extension of supersession for an indefinite period. The term of office of the board of Councillors has also been extended to five years in the new act as against four years stipulated in the previous act.<sup>20</sup>

### **(3) Municipal Elections:**

With the passing of the 74<sup>th</sup> Constitution Amendment Act 1992, there has been a mountain change in the procedure of municipal elections in the State of West Bengal. Two acts relating to it have been passed subsequently by the State Legislature in 1994. The West Bengal State Election Commission Act 1994 (Act VIII of March 1994) relates to constitution of the State Election Commission and spells out in detail its functions and powers. The West Bengal Municipal Election Act 1994, (Act XXXIV of July 1994) consolidates and amends laws relating to the holding of elections to municipalities and provides guidelines for conducting responsibilities like the procedure of appointment of officers for the purpose, reservation of seats etc.<sup>21</sup>

As stated in the 74<sup>th</sup> Constitution Amendment Act 1992, the authority of conducting elections to all local bodies (rural and urban) has been entrusted to a single member State Election Commission which is vested with the power of direction, control of elections, preparation of electoral rolls, delimitation of wards and all other functions related to conduct of the polls. Previously, a state government department was responsible for conducting elections to municipalities, on the other hand, elections to corporations used to be conducted by an election authority appointed by the state government.

In keeping with the mandate of Constitution Amendment Act 1992, Section 29 of the West Bengal Municipal Election Act 1994, makes provision for reservation of one-third of the total seats for women. The number of reserved seats for SC/ST depends on their share in the total population of the concerned municipality. The West Bengal Municipal Elections (Reservation of Seats) Rules 1994, lay down the detailed procedure for determining the total number of reserved seats as well as the method for identification of wards to be included in the SC/ST and women category.

The reservation of seats for women and SC/ST is a completely new phenomenon in the West Bengal Urban local bodies. Although, the 1980, Amendment to the Bengal Municipal Act 1932, had a provision for reservation

of some seats for ST (Scheduled Tribe) in accordance with their share in the total population, it was not mandatory and there was no provision of reservation for women and Scheduled Castes in urban local bodies. The municipal elections held in June and July 1995 in the state conducted by the newly constituted election commission, were the first in which the women and SC/ST candidates contested in the reservation category according to the rules and regulations provided in the concerned acts.<sup>22</sup>

#### **(4) Powers and Functions of Urban Local Bodies:**

In contrast to the previous act, the West Bengal Municipal Act 1993, makes distinction between obligatory and discretionary functions. Thirteen out of the eighteen functions listed in the 12<sup>th</sup> Schedule of the 74<sup>th</sup> Constitution Amendment Act 1992, figure among the 49 obligatory duties of the municipalities. The obligatory functions have been divided into the broad categories like – (a) Public works; (b) Public health and sanitation; (c) Planning and development and (d) administration. There are 40 functions under different heads which have been demarcated as discretionary.<sup>23</sup>

The obligatory functions not only include such routine functions as providing basic amenities of water, sewerage and drainage works, construction and maintenance of streets but also others like town planning, improvement of *bustees*, eradication and control of pollution of all kinds etc. More importantly, the act provides that the state government may transfer some of its own functions to the municipalities and allot funds and personnel as may be necessary to carry out these functions. The municipalities on their part also may transfer any of their functions with the prior approval of the state government to any public or private organization or a government department or a specialized agency on prescribed terms and conditions.<sup>24</sup>

#### **(5) Municipal Finance:**

##### **(a) Financial Control:**

The West Bengal Municipal Act 1993 ensures strict financial discipline in municipalities through various provisions regarding creation, custody, application and disposal of municipal funds, acquisition of municipal property,

audit of municipal accounts, imposition of taxes and fees, etc. According to the provision for a municipal fund, which all municipalities are obliged to constitute, all money received by the municipality from different sources will have to be credited to this fund and all payments should be made from this fund only. The board of councillors will be in charge of the fund. It has also been strictly stipulated that grants from the state or any other receipts are to be earmarked for specific purposes and should not be diverted to any other function.

Financial discipline has also been ensured through detailed guidelines for the regular audit of municipal accounts. The Chairman-in-Council is to remedy any defects or irregularities that may be pointed out by the auditor in his report. The state government has reserved special power for itself to take such steps as it thinks fit if a municipality does not comply with the order of the auditor. It can even appoint an auditor to conduct a special audit. In addition, the state government may provide for the internal audit of day to day accounts.

The act also provides for the formation of a municipal accounts committee by every municipality each year. The Committee is statutorily empowered to examine the accounts of the municipality, scrutinize reports of the auditor, special audit report etc.

The Municipal Accounts Committee is to keep a constant vigilance over the finances and accounts of the municipality. It will be directly accountable to the board of councillors.

## **(b) Municipal Taxes and Fees:**

The West Bengal Municipal Act 1993, has specified five taxes which are to be levied and collected by the municipalities, namely – (i) property tax on lands and buildings; (ii) tax on advertisement; (iii) tax on carts; (iv) tax on carriage and (v) toll on ferries and bridges. In addition, a municipality may levy fees and charges for special services, which may be provided by it from time to time.

The property tax system in the municipalities has been made more flexible and easier to implement. It is to be determined by the 'straight line' method instead of, on the basis of a fixed formula for different categories of lands and buildings. For purposes of assessment of property tax, detail guidelines have been provided in the Act. Its maximum limit has been fixed at 40 percent of the annual value of the property in question. A surcharge on property tax, ranging from 20 to 50 percent of the total tax amount has been prescribed for properties used for non-residential purposes.

The property tax system has been made more transparent. The value of properties will be assessed by the Central Valuation Board once in every six year instead of every four years earlier and will be notified through a public notice. Any assessee may apply for a review of the assessment, which will be heard by a review committee appointed by the board of councillors and presided over by the Chairman or the Vice-Chairman of the municipality. The procedure for imposition and collection of taxes has been more clearly defined and provisions for recovery of taxes have been made more stringent. In this connection one point may be noted that, in the West Bengal Municipal Act 1993, Section 103, empowered the Board of Councillors to reduce rates in case of excessive hardship on any holding in a municipal area, provided that such reduction or remission shall not, unless renewed by the Board of Councillors, have effect for more than one year.<sup>25</sup> In consequence of the above mentioned Section 103 of the WBM Act 1993, Municipal Boards for their political benefit reduced the holding tax quite often keeping aside the evaluated rate by the CVB. To eradicate the loop whole of the WBM ACT 1993, the West Bengal Legislature has amended this section by substituting – "The Review Committee reduces the valuation of any land or building, such reduction shall not be more than twenty five percent of the annual valuation of such land or building except in the case of gross arithmetical or technical mistake, and the Review Committee shall, in every such case, record in writing the reasons for such reduction".<sup>26</sup> Detailed guidelines have also been provided in the act in regard to tax on professions, trades and callings, advertisements, carts and carriages etc.

### **(c) Grants and Loans:**

The municipalities have been allowed some flexibility in regard to obtaining loans from public financial institutions or nationalized banks, with prior permission of the state government. The latter will stand as guarantor for such loans obtained for the implementation or maintenance of any project or scheme for civic services. But the state government imposes strict regulations on municipalities with regard to debt servicing and they may be required to create a sinking fund for such purposes.

Grants from the State government are also available for specific or general purposes. The distribution of such grants will depend on the categories of municipalities.

### **(6) Municipal Reforms and Decentralized Development:**

The most unique feature of the West Bengal Municipal Act 1993, is the provision for greater decentralization in area development and people's participation in the development process. The act has three well-defined sections on: (a) urban renewal and regional development; (b) area development and renewal and (c) planning and regional development. It has empowered the municipalities with functional responsibilities and sufficient authority to ensure regulated development within the area of their jurisdiction.

The sections dealing with the urban renewal and regional development, municipalities now have the power to define and alter the limits of a *bustee* or *slum*. They have to maintain a list of *busteess* within their area. They can prepare development plan for a *bustee* of their own, subject to the approval of the state government, and enlist people's participation for its implementation. The municipality is further authorized to establish a user's committee or a cooperative society of hut owners for the management of common areas and facilities created under the development plan.

With regard to area development and renewal, a municipality is empowered to remove a congested building, which may endanger the community's health and safety. It may even direct the owner of a building, which is unfit for human habitation to execute works necessary for making it habitable

within a specific period. Most significantly, the Act provides for the involvement of local voluntary organizations in area development projects. It also permits securing of corporate funding, albeit with state sanction and procurement of financial resources from banks and similar institutions. Resort to such external funding now has a statutory sanction.

The provisions of the West Bengal Municipal Act 1993, authorize the municipalities to have greater involvement in regular urban planning and development within the region. On declaration of an area within a municipality and its peripheries as an urban development region by the state government, the municipality will not only prepare the master plan for the area within its jurisdiction, but will also implement the development programmes worked out. The state government may constitute an urban development committee for the formulation of the master plan for the region, but the municipality will implement the programme within its area under the overall supervision of its boards of councillors. The Committee will be responsible for the implementation of the master plan for areas outside the municipal limits.

In addition to defining the duties and responsibilities of urban local bodies with respect to civic services like water supply, drainage and sewerage, solid waste management etc., the Act includes elaborate provisions on different aspects of community health for environmental protection. The board of councillors has been given wide powers to ensure public safety and resist public nuisances. It is empowered to take steps against dangerous quarrying, the outbreak of fire, unsafe buildings, contaminated private tanks or wells used for drinking purposes, inadequate public toilets and wash houses, overcrowding in a dwelling place, encroachment by *khatal*s, environmental pollution and so forth. A municipality, at present can take steps for preventing the dangerous and infectious diseases and is obliged to give information on such diseases to the people.<sup>27</sup>

#### **(7) Municipal Personnel System:**

West Bengal has a separate personnel system for its municipal administration. As a result, its weaknesses are widely recognized. Because of the

resource constraints municipalities chronically face and lack of career prospects, adequately qualified persons are not attracted to municipal government.<sup>28</sup> The West Bengal Municipal Act 1993, has tried to eradicate these weaknesses in the municipal personnel system. Besides the separate personnel system, the recruitment of municipal officers and employees is to be carried out by the following different authorities.

- (a) There will be a cadre of common municipal service for the staff and officers as specified in section 53 of the WBM Act 1993. The officers will be selected by the Directorate of Local Bodies.
- (b) The WBM Act 1993, contemplates the creation of a Municipal Service Commission with a Chairman and two other members to select municipal officers and employees as may be prescribed by the state government.
- (c) Municipalities are authorized to recruit few official employees, they being specified by the state government and fix their salaries and other allowances.
- (d) However, in keeping with the provision in the 1980 amendment to the Bengal Municipal Act 1932, the state government has retained the privilege and power to appoint an executive officer, a health officer, an engineer and a finance officer for a municipality or a group of municipalities. The government will bear the expenditure on account of salaries and allowances for these officers.<sup>29</sup>

From the foregoing analysis of constitutional provisions as well as various sections of the West Bengal Municipal Act 1993, we can say that, after the passing of the 74<sup>th</sup> Constitution Amendment Act 1992 and the WBM Act 1993, there has been a remarkable reforms in the structure, power and functions of the municipal governments in West Bengal. Municipal governments are now being treated, to some extent, as the third strata of the Indian federal structure and the best mechanism of decentralized development and peoples' participation. But how far the municipal bodies have achieved the status of 'self-government' and 'autonomy' and what kind of state-municipal relations have taken place after the municipal reforms in West Bengal to be discussed in the next chapter.

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