

**DISCLAIMER:**

No responsibility or liability for any errors or omissions in content of this site, all work is done in good faith.

[WWW.CITYLAWS.PK](http://WWW.CITYLAWS.PK)

# THE PUNJAB LOCAL GOVERNMENT ORDINANCE 2021 (XXVII of 2021)

## CONTENTS

### PART 1 PRELIMINARY

#### Chapter - I Introduction

1. Short title, extent and commencement.
2. Definitions.

#### Chapter - II Dissolution and Succession of Local Governments

3. Dissolution of existing local governments.
4. Succession of the defunct local governments.

#### Chapter - III Overriding Effect and Removal of Difficulties

5. Ordinance to override other laws.
6. Removal of difficulties.

### PART 2 CONSTITUTION AND FUNCTIONING OF LOCAL GOVERNMENTS

#### Chapter - IV Demarcation, Classification, Delimitation, Constitution of Local Governments and Review of Local Areas

7. Demarcation, constitution and classification of Metropolitan Corporation and District Council.
8. Notification of local areas of Metropolitan Corporations and District Councils.
9. Review of local areas of Metropolitan Corporations and District Councils.
10. Delimitation of Neighbourhood Councils and Village Councils by the Election Commission.

11. **Principals of delimitation of Neighbourhood Councils and Village Councils.**
12. **Coordination with Election Commission for delimitation.**

**Chapter - V**  
**Composition and Structure of Local Governments**

13. **Local government structure.**
14. **Head's Cabinet.**

**Chapter - VI**  
**Authority of Local Governments**

15. **Local governments to work within the Provincial framework.**
16. **General authority and responsibility of a local government.**
17. **Extent of authority of local governments.**
18. **Assignment of additional responsibilities by Government.**
19. **Manner of exercise of authority by a local government.**
20. **All acts and orders to be taken or made in the name of local government.**

**Chapter - VII**  
**Functions of Local Governments**

21. **Functions and powers of Metropolitan Corporation and District Council.**
22. **Functions and powers of Neighbourhood Council and Village Council.**

**Chapter – VIII**  
**Additional functions in relation to the Authorities, etc.**

23. **Functions and powers in relation to the Authorities, Agencies and Companies in the Metropolitan Corporations.**

**Chapter – IX**  
**District Local Government Authorities for the Devolved District Level Offices**

24. **Exercise of functions and powers in relation to the devolved district level offices of the Government Departments.**
25. **District Authorities.**
26. **Composition and management of the District Authorities.**

**27. Performance of functions by the District Authorities.**

#### **Chapter – X**

#### **Mode of Discharge of Functions by the local governments – Agency Arrangement and Joint Authorities.**

**28. Discharge of functions by local governments.**

**29. Delegation of functions to Village Councils and Neighbourhood Councils.**

**30. Agency arrangements.**

**31. Establishment of joint authorities.**

**32. Inter-agency coordination.**

#### **Chapter - XI**

#### **Duties of Certain Functionaries**

**33. Duties and powers of a Head of the local government.**

**34. Duties and powers of a Speaker.**

**35. Duties of a Councillor.**

**36. Duties and powers of Chief Officer.**

**37. Attendance of Council meetings by Chief Officer.**

**38. Personal responsibility for acts done and expenditure incurred without lawful authority.**

#### **Chapter - XII**

#### **Conduct of Business**

**39. Conduct of business.**

**40. Meetings of the House.**

**41. Contracts.**

### **PART 3**

### **ELECTIONS, TERM OF OFFICES AND RELATED MATTERS**

#### **Chapter - XIII**

#### **Authority for Local Government Elections**

**42. Election Commission to conduct local government elections.**

**43. Elections Act to apply.**

44. All authorities and persons to assist the Election Commission.
45. Delegation of powers.
46. Election Commission to regulate its own procedure.

**Chapter - XIV**  
**Election Method, Franchise and Related Matters**

47. Election Method.
48. Opposition Leader.
49. Electoral units.
50. Enlistment of an Electoral Group.
51. Electoral rolls.
52. Right to vote.

**Chapter - XV**  
**Conduct of Elections**

53. Notification of election date and call up for election.
54. Only nominated and eligible persons allowed to contest elections.
55. Manner of conducting Elections.
56. Code of Conduct for elections.
57. Returned Candidates.
58. Announcement of Results.
59. Election to be called in question only before Election Tribunal.
60. Notification of election, resignation and removal.

**Chapter - XVI**  
**Qualifications and Term of Office of Candidates**

61. Qualifications and disqualifications.
62. Defection from a Political Party or Electoral Group.
63. Effect of being found to be disqualified to be a candidate, Head of the local government, Deputy Mayor, Vice Chairperson, Speaker, or a Councillor.

64. Bar against double membership and requirement to tender resignation to contest for certain other political offices.
65. Term of office of the Council, Head of the local government, Deputy Mayor, Vice Chairperson, Speaker or a Councillor.
66. First Meeting and Oath of office.
67. Effect of failure to take oath.
68. Resignation by a Head of the local government, Deputy Mayor, Vice Chairperson, Speaker or Councillor.
69. Fresh elections in case of casual vacancy in the office of a Speaker.
70. Filling up of casual vacancies of Head, Deputy Mayor, Vice Chairperson and Councillors.
71. Power of the Chief Minister to appoint an administrator.

**PART 4**  
**LOCAL GOVERNMENT FINANCE AND PROPERTIES**  
**Chapter - XVII**  
**Local Government Finance**

72. Funds of a local government.
73. Custody of Local Fund and Public Account.
74. Charged expenditure.
75. Application of Local Fund.
76. Budget preparation.
77. Approval of budget.
78. Bottom up planning and the community ownership incentive system.
79. Honoraria and allowances.
80. Accounts.
81. Audit.
82. Local government debt.

**Chapter - XVIII**  
**Punjab Local Government Finance Commission**

83. Local Government Finance Commission.

84. Term of office and premature removal of certain members.
85. Casual vacancies.
86. Eligibility for appointment as an expert member.
87. Oath of office of members of Finance Commission.
88. General functions of the Finance Commission.
89. Right of local governments to refer objections to Finance Commission.
90. Procedure of Finance Commission.
91. Duty of local governments and other public entities etc. to cooperate with Finance Commission.
92. Secretariat of the Finance Commission.

#### **Chapter - XIX Local Government Properties**

93. Local government properties.
94. Use and disposal of properties of local governments.
95. Acquisition of immovable property.
96. Loss of property of local government.
97. Annual stock of local government properties.
98. Insurance of certain local government properties.

#### **Chapter – XX Local Government Taxes, Fees, Rates and Tolls**

99. Authority of a local government to levy taxes etc.
100. Procedure for imposition, revision or abolishment of a local tax etc.
101. Date on which local taxes etc. become effective.
102. Rating areas and property tax.
103. Power of the Finance Commission in case of unfair local taxes etc.
104. Duty to furnish information on liability to local tax etc.
105. Power of entry for valuation of local taxes etc.

106. Presentation of bill for local taxes and rates etc.
107. Notice of demand to be issued on non-payment of bill.
108. Payment of local tax etc. and consequences of default.
109. Investigation of objections by Chief Officer.
110. Appeal against the determination of Chief Officer.
111. Liability for local tax etc. to be called in question only under this Ordinance.
112. Payments to be made in authorized banks against receipts.
113. Writing off of irrecoverable taxes etc.
114. Tax etc. not to become invalid for a defect in form.
115. Records pertaining to valuation, assessment and collection of local tax etc.
116. Appointment of an agency or officer for collection of local tax.

**Chapter - XXI**  
**Inter-governmental Fiscal Transfers**

117. Provincial allocable amount and transfers to the local governments.
118. Process for determination of provincial allocable amount and share of individual local governments.
119. Duty of Finance Commission to consider views of Government and local governments.
120. Term of formulae on share of local governments and their revision.
121. Determination of provincial allocable amount.
122. Principles for determining transfers to individual local governments and related grants.

**PART - 5**  
**COMMUNITY EMPOWERMENT AND MOBILIZATION**

**Chapter - XXII**  
**Community Mobilization through Community Council and Panchayat**

123. Community Council and Panchayat.

124. General functions of Community Council or Panchayat.
125. Amicable settlement of disputes.
126. Reference by Courts etc.
127. Conflict of interest.
128. Procedure of settlement of disputes.

**CHAPTER - XXIII**  
**Community Based Organizations**

129. Composition of Community Based Organizations.
130. Conduct of Business.
131. Raising of funds by Community Based Organization.
132. Community Based Organization to be a non-profit organization.

**PART 6**  
**ACCOUNTABILITY, TRANSPARENCY, OVERSIGHT AND RESPONSIVENESS**

**Chapter XXIV**  
**Internal Controls**

133. Power of the Council to remove a Head of the local government, Deputy Mayor, Vice Chairperson and Speaker.
134. Certain limitations to apply in bringing a resolution for removal of a Head of local government and Speaker.
135. Oversight through committees of the Council.
136. Internal inspections.
137. Internal inquiries.
138. Complaint Cell.
139. Right to information.

**Chapter - XXV**  
**Transparency**

140. General rules of conduct.
141. Conflict of interest.
142. Duty to abstain from proceedings in case of conflict of interest.



143. Code of Conduct for elected officials and officers etc.
144. Misconduct.
145. Certain orders to be in writing or to be reduced to writing.

**PART - 7**  
**GOVERNMENT - LOCAL GOVERNMENTS RELATIONS**

**Chapter - XXVI**  
**Oversight by the Government**

146. Supervision of local governments.
147. Power to call for information.
148. Power of the Secretary to suspend and set aside certain resolutions or orders of local government.
149. Procedure where Head of the local government fails to show cause or to take action on directions under the Ordinance.
150. Power of the Secretary to take action on his own.
151. Suspension or dissolution of a local government.
152. Effect of suspension or dissolution of a local government.
153. Reinstatement of suspended local government.

**PART 8**  
**COORDINATION AND CONFLICT MANAGEMENT**

**Chapter - XXVII**  
**Punjab Local Government Commission**

154. Establishment of Punjab Local Government Commission.
155. Chairperson and members of the Commission.
156. Term of office and premature removal of certain members.
157. Casual vacancy.
158. Eligibility for appointment of expert members.
159. Oath of office of members of the Commission.
160. Functions of the Commission.
161. Certain powers of a court to vest upon the Commission.

162. Procedure of the Commission.
163. Duty of the Government, local governments etc. to cooperate with the Commission.
164. Secretariat of the Commission.
165. Responsibility of the Commission.

**PART 9  
PLANNING AND DEVELOPMENT**

**Chapter – XXVIII  
Planning, Development and Land use in Metropolitan Corporation and District Council**

166. Local development plan.
167. Initiation of proposals for new works etc.
168. Approval of annual development plan.
169. Secretary to certify annual development plan if not approved by a local government.
170. Planning guidelines.
171. Duty of every local government to maintain public service infrastructure maps.

**PART 10  
REGULATION AND ENFORCEMENT**

**Chapter - XXIX  
Municipal Offences and their Cognizance**

172. Offences, punishments and their cognizance.
173. Appointment and control of Inspectors.
174. Imposition of fine through ticketing.
175. Court proceedings for default in deposit of fine.
176. Compounding of offences.
177. Municipal Wardens.
178. General powers of Inspectors.
179. Appointment of Municipal Magistrates.

**Chapter- XXX**  
**Offences Relating to Code of Conduct and Conflict of Interest**

- 180. Punishment for acting dishonestly.
- 181. Punishment for acting despite conflict of interest.
- 182. Cognizance of an offence under this Chapter by courts.

**Chapter- XXXI**  
**Offences Relating to Local Taxes**

- 183. Punishment for non-payment of tax etc.
- 184. Cognizance of offences under this Chapter.

**PART 11**  
**MISCELLANEOUS**

**Chapter - XXXII**  
**Officers and Servants of Local Governments**

- 185. Chief Officer, other officers and servants of local governments.
- 186. Security of tenure for the Chief Officer and other officers.
- 187. Local Government Service.
- 188. Service cadre for servants of the local governments.
- 189. Continuation of the Punjab Local Government Board.
- 190. Composition of the Board.
- 191. Functions of the Board and method for conduct of business.

**PART 12**  
**ADJUDICATION**

**Chapter - XXXIII**  
**Appeals**

- 192. Appeal against orders of local governments.

**Chapter - XXXIV**  
**Punjab Local Government Appeals Tribunal**

- 193. Punjab Local Government Appeals Tribunal.
- 194. Constitution of Benches.

- 195. Appeals to Tribunal.
- 196. Powers of Tribunal.
- 197. Procedure before the Tribunal.
- 198. Removal of the Chairperson or a Member.
- 199. Financial Powers.
- 200. Abatement of suits and other proceedings.
- 201. Applicability of the provisions of the Limitation Act, 1908.
- 202. Power to punish for contempt.
- 203. Appeals against decision of the Tribunal.

**Chapter - XXXV  
Bar of Jurisdiction of Courts**

- 204. Jurisdiction of courts barred.
- 205. Indemnity of actions taken in good faith.

**PART 13  
MISCELLANEOUS**

**Chapter - XXXVI  
Miscellaneous**

- 206. General powers of local governments, etc.
- 207. Delegation of powers by the Government.
- 208. Delegation of Powers by the Head of local government.
- 209. All Heads of the local governments, Deputy Mayors, Vice Chairpersons, Speakers, Councillors, officer and servants of the local governments to be public servants.
- 210. Remuneration etc. for elected officials.
- 211. Training of functionaries of local governments.
- 212. Bar against employment of the elected officials in the local government.

**Chapter - XXXVII  
Subordinate legislation**

- 213. Rules.

**214. Bye-laws.**

**215. Amendments in the Schedule.**

**PART - 14  
REPEAL AND TRANSITION**

**Chapter - XXXVIII  
Repeal and Savings**

**216. Repeal and Saving.**

**Chapter - XXXIX  
Transitional Arrangements**

**217. Interim authorities and continuation of public services.**

**218. Interim maintenance of offices and Authorities to be transferred to local governments under this Ordinance.**

**219. Fiscal transfers and taxes etc. to continue.**

**220. Fiscal transfers and budget of the succeeding local governments for the first year in office.**

**221. Salaries and emoluments of officers and servants of the local governments during transition.**

**FIRST SCHEDULE**

**SECOND SCHEDULE**

**THIRD SCHEDULE**

**FOURTH SCHEDULE**

**FIFTH SCHEDULE**

**SIXTH SCHEDULE**

**SEVENTH SCHEDULE**

**EIGHTH SCHEDULE**

**NINTH SCHEDULE**

**TENTH SCHEDULE**

## TEXT

# <sup>1</sup>THE PUNJAB LOCAL GOVERNMENT ORDINANCE 2021 (XXVII of 2021)

[11 December 2021]

An  
Ordinance

*to reconstitute local governments in the Punjab and consolidate laws relating to powers and functions of the local governments.*

It is expedient to reconstitute the local governments and consolidate laws relating to powers and functions of local governments for establishing an effective elected local government system for meaningful devolution of political, administrative and financial responsibility and authority to the directly elected representatives of the local governments as envisaged under Article 140A of the Constitution to promote good governance, effective delivery of services and transparent decision making through institutionalized participation of the people at local level; and to deal with ancillary matters.

Provincial Assembly of the Punjab is not in session and Governor of the Punjab is satisfied that circumstances exist which render it necessary to take immediate action.

In exercise of the powers conferred under clause (1) of Article 128 of the Constitution of the Islamic Republic of Pakistan, Governor of the Punjab is pleased to make and promulgate the following Ordinance:

### **PART 1 PRELIMINARY**

#### **Chapter - I Introduction**

**1. Short title, extent and commencement.**— (1) This Ordinance may be cited as the Punjab Local Government Ordinance 2021.

(2) This Ordinance shall extend to whole of the Punjab except:

- (a) the areas notified as cantonments under the Cantonments Act, 1924 (II of 1924), or the Cantonments Ordinance, 2002 (CXXXVII of 2002), or such other areas under active possession and direct control of the Armed Forces of Pakistan that may be notified by the Government for this purpose; and

---

<sup>1</sup>This Ordinance was Promulgated by the Governor of the Punjab on 11 December 2021; and, was published in the Punjab Gazette (Extraordinary), dated: 11 December 2021, pp. 2809-2945.

- (b) the area exempted by the Government from any or all of the provisions of this Ordinance through a notification in the official Gazette.
- (3) This Ordinance shall come into force at once.

**2. Definitions.–** (1) In this Ordinance:

- (a) “administration” means administration of a local government other than Village Council and Neighbourhood Council, comprising such officers of the prescribed services and servants of local government; and in case of Village Council and Neighbourhood Council, such officials of Directorate General Local Government and Community Development, as may be determined by the Secretary in the schedule of establishment of the respective local government;
- (b) “Auditor General” means the Auditor General of Pakistan appointed under Article 168 of the Constitution;
- (c) “Board” means the Punjab Local Government Board;
- (d) “budget” means the estimate of expected receipts and expenditure of a local government for a given financial year, and as the case may be, includes the estimate of receipts and expenditure of constituent offices, entities and agencies of that local government;
- (e) “building control” means implementation of a set of standards and regulatory framework established and enforced by a local government, for the safety of a building and its surrounding environment;
- (f) “bye-laws” means bye-laws made by a local government under this Ordinance or rules made thereunder;
- (g) “candidate” means a candidate for election under this Ordinance;
- (h) “cantonment” means a place or places notified as cantonment under the Cantonments Act, 1924 (II of 1924), or the Cantonments Ordinance, 2002 (CXXXVII of 2002);
- (i) “Code” means the Code of Criminal Procedure, 1898 (V of 1898);
- (j) “census” means a population and housing census provisionally or finally published under the General Statistics (Reorganization) Act, 2011 (XIV of 2011), whichever is later;
- (k) “Chief Officer” means Head of the administration of a local government including Officer in-charge of a sub-office of a local government, and official in-charge of Village Council and Neighbourhood Council as may be notified by the Secretary;

- (l) "Collector" means a Revenue Officer appointed under section 7 of the Punjab Land Revenue Act, 1967 (XVII of 1967);
- (m) "Commission" means the Punjab Local Government Commission constituted under this Ordinance;
- (n) "committee" means a committee constituted under this Ordinance;
- (o) "Community Council" means a Community Council constituted under this Ordinance;
- (p) "Constitution" means the Constitution of the Islamic Republic of Pakistan.
- (q) "Council" means the Council comprising the Speaker and other Councillors of a local government;
- (r) "Councillor" means a Councillor of the Council and includes a Speaker and a Councillor elected against a reserved seat;
- (s) "defunct local government" means a local government dissolved under this Ordinance or under any earlier law;
- (t) "Department" means the Local Government and Community Development Department of the Government;
- (u) "defunct local government" means a local government constituted under any local government law existed prior to the commencement of this Ordinance;
- (v) "Directorate General" means the Directorate General Local Government and Community Development;
- (w) "Directorate General Inspections" means the Directorate General of Inspections of the Board;
- (x) "disabled person" means the same as defined under the Disabled Persons (Employment and Rehabilitation) Ordinance, 1981 (XL of 1981) or any other law on this subject for the time being in force;
- (y) "district" means a District notified under the Punjab Land Revenue Act, 1967 (XVII of 1967);
- (z) "District Council" means a District Council constituted under this Ordinance;
- (aa) "elected office" means the office of a local government against which a Head, Deputy Mayor, Vice Chairperson, Speaker or a Councillor is elected;
- (bb) "elected official" means a Head of local government, Deputy Mayor, Vice Chairperson, Speaker, or a Councillor;
- (cc) "Elections Act" means the Elections Act, 2017 (XXXIII of 2017);



- (dd) "Election Commission" means the Election Commission of Pakistan established under Article 218 of the Constitution;
- (ee) "Election Tribunal" means the Election Tribunal constituted by the Election Commission to decide election petitions;
- (ff) "electoral group" means an Electoral Group enlisted under this Ordinance;
- (gg) "electoral officer" means an officer appointed for election under this Ordinance and includes a Presiding Officer, an Assistant Presiding Officer and a Polling Officer;
- (hh) "electoral roll" means an electoral roll prepared, revised or corrected under the Elections Act;
- (ii) "electoral unit" means electoral unit constituted for an election under this Ordinance;
- (jj) "Electronic Voting Machine (EVM)" means any device that is used by the Election Commission for conduct of free and fair local government elections for voting purposes, other than Ballot Papers whether for voting, counting of votes, transmitting the final results or recounting of the votes purposes;
- (kk) "emergency" means circumstances imminently endangering public health, safety, life or significant or largescale harm to property requiring an immediate action;
- (ll) "fee" means fee against specific services provided by a local government and includes a regulatory fee for regulation of a business or activity;
- (mm) "Finance Commission" means the Punjab Local Government Finance Commission constituted under this Ordinance;
- (nn) "financial year" means the year commencing on the first day of July and ending on the thirtieth day of June;
- (oo) "Government" means Government of the Punjab;
- (pp) "government agency" means a department, office, authority, body, company, or institution of the Government or the Federal Government;
- (qq) "Head's Cabinet" means the Cabinet of the Head of a local government constituted under this Ordinance;
- (rr) "Head of local government" means:
  - (i) Lord Mayor of Metropolitan Corporation Lahore;
  - (ii) City Mayor of a Metropolitan Corporation other than Lahore;
  - (iii) District Mayor of a District Council; and

- (iv) Chairperson of a Village Council or a Neighbourhood Council.
- (ss) “High Court” means the Lahore High Court, Lahore;
- (tt) “House” means the elected Council of a local government;
- (uu) “joint authority” means a joint authority established under this Ordinance;
- (vv) “land use” means the human use of land, to represent the economic and cultural activities e.g., agricultural, commercial, residential, industrial, mining, and recreational use that are practiced at a given place;
- (ww) “land use control” means exercise of power to restrict private and public use of land and natural resources, to conform to master planning;
- (xx) “land use plan” means a plan drawn up and approved by a local government or any government agency competent to draw up and approve which provides the actual land use and proposed land use for permitted, permissible and prohibited development activities, both in the planned areas and non-planned areas, within the local area of a local government;
- (yy) “local area” means the area comprising territorial jurisdiction of a local government demarcated under this Ordinance;
- (zz) “local government” means a Metropolitan Corporation, a Neighbourhood Council, a District Council, and a Village Council;
- (aaa) “master plan” means a dynamic long term planning and policy document that provides a conceptual lay out to guide future growth and development and includes analysis and evaluation of standards, proposals for population, economy, housing, transportation, community facilities and land use;
- (bbb) “Neighbourhood Council” means a Neighbourhood Council constituted under this Ordinance;
- (ccc) “operating officer” means the operating officer of a joint authority appointed under this Ordinance;
- (ddd) “Panchayat” means a panchayat constituted under this Ordinance;
- (eee) “peasant” means a person who is a landless farm worker, or one who during the period of five years preceding the year in which election is held, has been the owner of not more than five acers of land and depends directly on it for subsistence living;
- (fff) “Political Party” means a Political Party within the meanings of the Elections Act;
- (ggg) “prescribed” means prescribed by rules or bye-laws made under this Ordinance;

- (hhh) "prescribed service" means the Local Government Service, Provincial Management Service, or Pakistan Administrative Service, whether called by this or any other title;
- (iii) "Province" means Province of the Punjab;
- (jjj) "provincial allocable amount" means sums allocated out of the Provincial Consolidated Fund under this Ordinance as a share for transfer to a local government under this Ordinance.
- (kkk) "Provincial Consolidated Fund" means the Provincial Consolidated Fund within the meanings of Article 118 of the Constitution;
- (lll) "public service" means a service provided by a local government in relation to its functions for the residents;
- (mmm) "recognized institution" means an educational institution recognized by the Higher Education Commission established under the Higher Education Commission Ordinance, 2002 (LIII of 2002) or any other similar agency mandated for this purpose under any other relevant law;
- (nnn) "rent" means whatever is lawfully payable in money or kind by a tenant or lessee on account of the occupation of any building or land or use of any machinery, equipment or vehicle;
- (ooo) "reserved seat" means a seat reserved for religious minorities, women, peasants or workers, youth, disabled and traders;
- (ppp) "resident" means a person who ordinarily resides in the local area of a local government, and where relevant as regards the functions of a joint authority, includes persons from outside that area who regularly use facilities or services provided by that joint authority;
- (qqq) "rules" means the rules made under this Ordinance;
- (rrr) "Schedule" means a Schedule appended to this Ordinance;
- (sss) "Secretary" means the Secretary as defined in the Punjab Government Rules of Business, 2011, and where no suffix is mentioned therewith, it shall mean the Secretary in charge of the Local Government and Community Development Department of the Government;
- (ttt) "servant" means an employee of a local government;
- (uuu) "Speaker" means the Speaker of the Council, and in relation to the holding of a meeting of the Council in the absence of the Speaker, a Councillor chosen by the Council to preside over the meeting of such session; and in case of Neighbourhood Council and Village Council, it means the Vice Chairperson;

- (vvv) “standing instructions” means the standing instructions issued under this Ordinance;
- (www) “tehsil” means an area notified under the Punjab Land Revenue Act, 1967 (XVII of 1967);
- (xxx) “trader” means a person who during the period of five years preceding the year in which election is held, has been engaged in the business of buying and selling of goods, commodities or services and primarily depends upon it to earn his livelihood;
- (yyy) “Tribunal” means the Punjab Local Government Appeals Tribunal constituted under this Ordinance;
- (zzz) “unit” means a sub-office of a local government administration established for performance of its functions in an urban area;
- (aaaa) “urban area” means an area demarcated and notified under the Punjab Local Government Act, 2019 (XIII of 2019);
- (bbbb) “Village Council” means a Village Council constituted under this Ordinance;
- (cccc) “worker” means a person who primarily depends upon personal labour for subsistence, or a worker as defined in the “Punjab Industrial Relations Act 2010 (XIX of 2010), and in both cases, has maintained such status for last five years preceding the year in which election is held; and
- (dddd) “youth” means a person who is not less than eighteen years of age and not more than thirty two years of age on the last date fixed for filing of nomination papers.

(2) The words, terms or expressions used but not defined in this Ordinance shall have the same meaning as assigned in the Constitution or other applicable laws in force.

## **Chapter - II**

### **Dissolution and Succession of Local Governments**

**3. Dissolution of existing local governments.**– All local governments constituted under the Punjab Local Government Act 2013 (XVIII of 2013) shall stand dissolved on 1st January 2022, whereupon, all Mayors, Deputy Mayors, Chairmen, Vice Chairmen, and Councillors shall cease to hold their respective offices forthwith.

**4. Succession of the defunct local governments.**– (1) Subject to subsection (3), each local government shall succeed:

- (a) such property of a defunct local government located within the limits of its local area which, in view of the Secretary, is required by it for the due discharge of any function under this Ordinance;
- (b) such officers and servants of a defunct local government who, in the view of the Secretary, are required by it for the discharge of any function under this Ordinance; and

- (c) such rights, fund, claim or liability or portion thereof which, in the view of the Secretary, was respectively raised, made or accrued by a defunct local government in relation to areas comprising its local area.

(2) Subject to subsection (3), the Secretary shall, having regards to the circumstances appertaining to each case, determine the share of a local government where:

- (a) any property of a defunct local government is required by two or more local governments for the discharge of a function under this Ordinance;
- (b) any officer or servant of a defunct local government is required by two or more local governments for the discharge of a function under this Ordinance; and
- (c) any fund, claim or liability or portion thereof which was respectively raised, made or accrued by a defunct local government in relation to areas comprising the local areas of two or more local governments.

(3) No local government shall, unless otherwise provided by the Secretary, succeed to any property, right, fund, claim or liability or portion thereof of a defunct local government which does not pertain to a function assigned to it under this Ordinance:

provided that all properties, rights, funds, claims and liabilities of a defunct local government which pertain to a function not assigned to any local government under this Ordinance shall be succeeded to by the Government.

(4) The Secretary shall, by a general or special order, provide for the manner of succession and discharge of liabilities, if any, of a defunct local government.

(5) The Secretary assign all properties, rights, funds, claims or liabilities among local governments under this section and all disputes relating to this matter shall be referred to and decided by it and such decision shall be final.

**Explanation:** For the purpose of this section, the term “property” shall include any land, building, office, work, facility, amenity, vehicle, equipment, plant, store or apparatus.

### **Chapter - III** **Overriding Effect and Removal of Difficulties**

**5. Ordinance to override other laws.**— The provisions of this Ordinance shall have effect notwithstanding anything contained in any other law for the time being in force.

**6. Removal of difficulties.**— (1) The Chief Minister may, by order not inconsistent with this Ordinance, provide for the removal of any difficulty which may arise in giving effect to the provisions of this Ordinance.

(2) Subject to subsection (1), Wherever this Ordinance requires anything to be done but does not make any provision or sufficient provision as to the authority

by whom it shall be done, or the manner in which it shall be done, then it shall be done by such officer and in such manner, as may be approved by the Chief Minister.

## **PART 2 CONSTITUTION AND FUNCTIONING OF LOCAL GOVERNMENTS**

### **Chapter - IV Demarcation, Classification, Delimitation, Constitution of Local Governments and Review of Local Areas**

**7. Demarcation, constitution and classification of Metropolitan Corporation and District Council.**— (1) The urban and rural areas demarcated and notified under Punjab Local Government Act, 2019 (XIII of 2019) shall be deemed to have been demarcated and notified, unless altered under this Ordinance, for constitution of the local areas of the following local governments and in the manner given below:

- (a) a Metropolitan Corporation as follows:
  - (i) all areas comprising district Lahore as Metropolitan Corporation Lahore; and
  - (ii) area comprising cities of Sialkot, Gujrat, Bahawalpur, Dera Ghazi Khan, Faisalabad Gujranwala, Multan, Rawalpindi, Sahiwal and Sargodha, as the Metropolitan Corporation of the respective local area; and
- (b) a District Council as follows:
  - (i) area of District of Sialkot, Gujrat, Bahawalpur, Dera Ghazi Khan, Faisalabad, Gujranwala, Multan, Rawalpindi, Sahiwal and Sargodha, excluding the local area of Metropolitan Corporation in that district; and
  - (ii) whole area of a district except Lahore, Sialkot, Gujrat, Bahawalpur, Dera Ghazi Khan, Faisalabad Gujranwala, Multan, Rawalpindi, Sahiwal and Sargodha.

(2) Each local area shall constitute territorial jurisdiction of the respective local government.

**8. Notification of local areas of Metropolitan Corporations and District Councils.**— Subject to section 7, the Deputy Commissioner shall issue fresh notifications of demarcation of local areas of Metropolitan Corporations and District Councils in the districts of Sialkot, Gujrat, Bahawalpur, Dera Ghazi Khan, Faisalabad, Gujranwala, Multan, Rawalpindi, Sahiwal and Sargodha.

**9. Review of local areas of Metropolitan Corporations and District Councils.**— The Government may, through a notification in official gazette, increase or decrease the local areas of Metropolitan Corporations and District Councils.

**10. Delimitation of Neighbourhood Councils and Village Councils by the Election Commission.**— (1) The Election Commission shall delimit the Neighbourhood Councils and Village Councils under the Elections Act in the prescribed manner.

(2) The local areas of Neighbourhood Councils and Village Councils shall be identified with a specific number.

(3) The Election Commission shall delimit the urban area in a district constituting the defunct Metropolitan Corporation, Municipal Corporation, Municipal Committee, Town Committee under the Punjab Local Government Act, 2019 (XIII of 2019) into Neighbourhood Councils, keeping in view the population criteria given below:

- (i) twenty thousand in case of defunct Metropolitan Corporation and Municipal Corporation under the Punjab Local Government Act, 2019 (XIII of 2019); and
- (ii) fifteen thousand in case of defunct Municipal Committee and defunct Town Committee under the Punjab Local Government Act, 2019 (XIII of 2019):

Provided that the average population in the hilly areas shall be ten thousand.

(4) Subject to subsection (3), the Election Commission shall delimit rural area in a District Council into Village Councils, with an average population of twenty thousand:

Provided that the average population in the hilly areas shall be ten thousand.

**11. Principals of delimitation of Neighbourhood Councils and Village Councils.** - (1) A variation in the limit of population of local areas shall be permissible up to ten percent, in order to avoid splitting of census blocks.

(2) For delimitation of the local areas of Neighbourhood and Village Councils, it shall be ensured that:

- (a) population of local area of each Neighbourhood Council and Village Councils shall be uniform, as far as possible, as per the latest census;
- (b) the local area shall be a territorial unit;
- (c) the boundaries of a Village Council shall not cross the limits of the respective tehsil in a district; and
- (d) the boundaries of Neighbourhood Council shall not cross the limits of the respective Metropolitan Corporation, defunct Municipal Corporation or Municipal Committee or Town Committee constituted under the Punjab Local Government Act, 2019 (XIII of 2019), as the case may be.

**12. Coordination with Election Commission for delimitation.**-(1)The Deputy Commissioners shall coordinate and facilitate the Election Commission in whole process of delimitation and provide required details about the local area of each local government demarcated under section 7 in identifying the distribution of population in geographically compact areas, physical features, existing boundaries of administrative units, facilities of communication and public convenience and other cognate factors to ensure homogeneity in the delimitation of villages and Neighbourhoods.

(2) The Deputy Commissioner shall provide to the Election Commission all notifications of local areas showing notified population along with their census block codes and copies of authenticated maps of local governments showing the clear boundaries.

## **Chapter - V** **Composition and Structure of Local Governments**

**13. Local government structure.**— (1) A local government of a Metropolitan Corporation and a District Council shall consist of:

- (a) Head of a local government;
- (b) two Deputy Mayors in Metropolitan Corporations;
- (c) one Deputy Mayor of each Tehsil in each District Council;
- (d) a nominated Head's cabinet comprising of such Councillors and technocrats as provided in section 14 of this Ordinance except for a Village Council and Neighbourhood Council;
- (e) a Council comprising of such number and description of Councillors, including the Speaker, as is given in First Schedule of this Ordinance; and
- (f) an administration comprising of officers and servants of a local government.

**Explanation:** The Secretary may himself or on the recommendation of the Head of a local government establish one or more units in a local government for performance of its functions.

(2) The local governments of Neighborhood Councils and Village Councils shall consist of:

- (a) Chairperson and Vice Chairperson;
- (b) five Councilors, elected to general seats;
- (c) one seat reserved for workers in a Neighborhood Council or for peasants in a Village Council;
- (d) one seat reserved for religious minorities;
- (e) two seats reserved for women;
- (f) one seat reserved for youth; and
- (g) an administration comprising such number of officers and officials, performing such duties and exercising such powers, as may be determined by the Secretary through a notification in the official Gazette.

provided that in case there is no candidate in an electoral unit to contest election against the seat reserved for religious minority, such seat shall be deemed to be an additional seat reserved for worker or peasant, as the case may be.

(3) The Vice-Chairperson of a Neighbourhood Council or a Village Council shall act as the Speaker of the Council.



(4) Every local government, so constituted, shall be a body corporate having perpetual succession and a common seal, and subject to the provisions of this Ordinance, shall have power to acquire, hold and transfer property, both movable and immovable, to contract and to do all other things necessary for the purposes of its constitution; and shall by its name sue and be sued.

**14. Head's Cabinet.**– (1) There shall be a Head's Cabinet of a local government, except Neighbourhood Councils and Village Councils, to aid and advise the Head in exercise of his functions, to be appointed by the head, not later than one month from taking of his oath:

Provided that the Cabinet Members shall hold the office during the pleasure of the Head.

Provided further that with the removal of the Head or on expiry of his term, the Head's Cabinet shall also be dissolved forthwith.

(2) The Head's Cabinet, for local governments shall comprise of such number of Councillors and Technocrats nominated by the Head of a local government, as mentioned in the Second Schedule.

(3) No person shall be appointed as a Technocrat in the Head's Cabinet, unless he is a technocrat holding a degree requiring conclusion of at least sixteen years of education, recognized by the Higher Education Commission and has a professional experience of not less than five years in public or municipal administration, public finance, law, education, public health, Commerce and Industry, Information Technology, Mass Communication or any other area relating to functions of the local government:

Provided further that no person shall be appointed as a Technocrat member of the Head's Cabinet, unless he is otherwise eligible to be a candidate for the office of Head of a local government, Speaker or Councillor.

(4) Before entering upon office, a Head's Cabinet member shall make before the Head of the local government, oath in the form set out in the Fourth Schedule.

(5) The Head's Cabinet shall be responsible to the Head of the local government.

(6) A Head's Cabinet member may, by writing under his hand addressed to the Head of the local government, resign his office.

## **Chapter - VI**

### **Authority of Local Governments**

**15. Local governments to work within the Provincial framework.**– (1) Every local government shall function within the framework of the Province and adhere to all applicable federal and provincial laws.

(2) No local government shall do anything or act in a manner that impedes or is otherwise prejudicial to the exercise of executive authority of the Government.

**16. General authority and responsibility of a local government.**– (1) Subject to and to the extent given under this Ordinance, every local government shall have the authority to run the affairs of respective local area without interference.

- (2) A local government shall, having regard to the practical considerations:
  - (a) exercise its authority and incur expenditure in the best interests of the residents without any favour or prejudice in a democratic and accountable manner;
  - (b) involve residents in running its affairs and from time to time consult them on the level, quality, range and impact of services; and
  - (c) give equitable access to services.

**17. Extent of authority of local governments.**– (1) The authority of every local government shall be limited to the discharge of functions assigned to it under this Ordinance or any other law for the time being in force.

(2) Subject to the provisions of this Ordinance, the authority of a local government shall extend to doing of all acts that are necessary for the due discharge of its functions or acts that are likely to facilitate or are conducive or incidental to the discharge of its functions under this Ordinance or any other law for the time being in force.

**18. Assignment of additional responsibilities by Government.**– Nothing in this Ordinance shall prevent the Government from assigning any function to a local government which is not included in its power and functions.

**19. Manner of exercise of authority by a local government.**– (1) Subject to the provisions of this Ordinance, the executive authority of a local government shall vest in and be exercised by its Head in accordance with this Ordinance.

(2) A Deputy Mayor or a Vice Chairperson shall exercise such powers and perform such functions as may be delegated by the Head of the local government.

(3) In case of temporary absence of the Head of a local government, the Deputy Mayor or the Vice Chairperson nominated by the Head shall deputize his office.

(4) The Head of a local government, Council or any of its committees or sub-committees may, direct, guide or supervise but shall not directly interfere in the discharge of functions by any Chief Officer, officer or servant of a local government.

(5) The Council and its committees and sub-committees shall act through resolutions in accordance with the provisions of this Ordinance.

**20. All acts and orders to be taken or made in the name of local government.**– All acts and orders of a local government shall be expressed to be taken or made in its name.

## **Chapter - VII**

### **Functions of Local Governments**

**21. Functions and powers of Metropolitan Corporation and District Council.**– (1) A Metropolitan Corporation and a District Council shall:

- (a) implement the provisions of this Ordinance, rules and bye-laws;

- (b) exercise control over land-use including land-subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, housing, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment etc., as per the approved Master Plan;
- (c) subject to any other special law relating to preparation and approval of Regional, Master and land use plan for the time being in force; approve spatial plans, zoning, land use plans, including classification and reclassification of land, as per the approved Master Plan;
- (d) enforce building control as may be prescribed;
- (e) undertake urban design and urban renewal programmes;
- (f) approve development schemes for beautification of urban areas;
- (g) prepare, approve, execute and manage development plans;
- (h) regulate development and management of site development and housing schemes;
- (i) manage properties, assets and funds vested in the local government;
- (j) lease and rent out properties vested in, managed or maintained by the local governments;
- (k) undertake landscape, parks, monuments and municipal ornamentation;
- (l) prepare and approve budget, revised budget and annual and long term municipal development programmes;
- (m) approve taxes and fees etc.;
- (n) collect approved taxes, fees, rates, rents, tolls, charges, fines and penalties;
- (o) prepare and approve proposals for construction of express ways, fly-overs, bridges, roads, under passes owned by or vested in local governments;
- (p) regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority;
- (q) naming and renaming of roads, streets and public places vested in, managed or maintained by the local governments;
- (r) develop integrated system of water reservoirs, water sources, water supply and treatment plants, drainage including storm water drainage, liquid and solid waste disposal and treatment including landfill site and recycling plants, sanitation and other municipal services;
- (s) provide, develop, manage, operate, maintain and improve the municipal infrastructure and services, including –

- (i) roads and streets;
- (ii) traffic planning, engineering and management including traffic signaling systems, signs on roads, street markings, parking places, transport stations, stops, stands and terminals;
- (iii) street lighting; and
- (iv) playgrounds, open spaces, graveyards and arboriculture.
- (t) maintain municipal records and archives;
- (u) maintain a comprehensive data base and information system and provide public access to it on nominal charges;
- (v) regulate and organize sports, cultural, traditional and recreational events, fairs and shows;
- (w) undertake adaptive reuse strategies to restore, preserve and undertake heritage and historical assets through agency arrangement, in the local area;
- (x) establish and manage municipal libraries;
- (y) promote school sports and traditional local sports;
- (z) ensure environmental protection;
- (aa) encourage tree afforestation and plantation at local level;
- (bb) provide assistance through grants to registered and credible Government and Non-Government Organizations for provision of public service;
- (cc) regulate and establish street markets and kiosks in the manner prescribed;
- (dd) undertake steps to implement population control policy of Government;
- (ee) regulate private markets and establish and maintain public markets;
- (ff) regulate, establish and maintain cattle and other animal markets and slaughter houses;
- (gg) regulate sale of cattle;
- (hh) enforce all municipal laws, rules and bye-laws governing its functioning;
- (ii) authorize an officer or officers to issue notice to a person committing any municipal offence and initiate legal proceedings for continuance of commission of such offence or for failure to comply with the directions contained in such notice;
- (jj) sue, prosecute and defend court cases;
- (kk) assist relevant authorities in disaster management and relief activities;

- (ll) provide relief for the widows, orphans, poor, trans genders and other persons in distress, and children and persons with disabilities;
  - (mm) make arrangements for enhancement of the care of disabled persons, paupers, aged, sick, persons of unsound mind, abandoned minors, juvenile delinquents, drug addicts, victims of child abuse, needy and disadvantaged persons; and
  - (nn) exercise administrative, operational and management control of the devolved district level offices of the Government departments as may be notified by the Government.
- (2) A Metropolitan Corporation and a District Council may:
- (a) entrust any of its functions to a person, any public-private, public or private organization, authority, agency or company through a contractual arrangement, on such terms and conditions as may be prescribed:
    - provided that responsibility for discharge of such functions shall continue to vest with such local government;
  - (b) on such terms and conditions as are mutually agreed, transfer its functions or responsibilities with regard to providing municipal services to the Neighborhood Council or Village Council falling within its local area:
    - provided that no function or responsibility shall be transferred without allocation of corresponding resources and funds:
      - provided further that the responsibility to regulate and monitor such functions and services shall remain with the transferring local government;
  - (c) perform such other functions as may be assigned or entrusted to it by the Government;
  - (d) by an agreement and on such terms and conditions as may be mutually agreed, perform any function of the Government;
  - (e) with funds raised through voluntary contributions or external grant, undertake any development project;
  - (f) with the approval of the Government and concerned regulatory authorities of the Federal Government and the Government, set-up, acquire, manage and operate any commercial activity on a self-financing basis; and
  - (g) setup a corporate body to perform any of its functions, singly or jointly with other public or private bodies:
    - provided that responsibility for discharge of such functions shall continue to vest with the local government.
- (3) The Metropolitan Corporation and a District Council may also:

- (a) review public service delivery of departments including Police and Revenue Administration; and
- (b) seek written response and clarification from district Head of such departments on queries of the local government regarding their performance, functions, operations:

provided that after deliberations upon the departmental response, in the House, Head of local government may send a report along with recommendations for appropriate action, to the Deputy Commissioner:

provided further that in case of failure of the Deputy Commissioner to redress the grievance of a local government, Head of a local government may send a reference to the Secretary for resolution of the matter.

## **22. Functions and powers of Neighbourhood Council and Village Council.–**

(1) The functions and powers of Neighbourhood Council and the Village Council shall be to:

- (a) approve its budget;
- (b) approve the levy of tax and fee etc;
- (c) collect approved taxes, fees, rates, rents, tolls, charges, fines and penalties;
- (d) enforce this Ordinance, rules and bye-laws regulating its functioning;
- (e) nominate members of the Community Councils in its respective urban area and monitor their performance;
- (f) nominate members of the Panchayats within its respective rural area and monitor their performance;
- (g) mobilize the community:
  - (i) for maintenance of public ways, public streets, street lights, culverts, bridges, public buildings and local drains;
  - (ii) for plantation of trees, landscaping and beautification of public places;
  - (iii) for prevention and removal of encroachments on public ways, streets and places;
- (h) provide and maintain public sources of drinking water, such as wells, water pumps, tanks and ponds, and open drains;
- (i) coordinate with the community organizations for proper maintenance of water supply schemes and sewerage in the prescribed manner;
- (j) manage and maintain grazing areas, common meeting places and other common property;
- (k) hold local fairs and recreational activities;
- (l) registration of births, deaths, marriages and divorces;
- (m) promote local, school and traditional sports;

- (n) take other measures likely to promote the welfare, health, safety, comfort or convenience of the inhabitants of its local area;
- (o) identify deficiencies in delivery of services and make recommendations for improvement of services;
- (p) execute small scale development works relating to its functions;
- (q) report illegal excavation of earth, sand, stones or other material to the relevant authorities;
- (r) celebration of public festivals;
- (s) assist the relevant authorities in disaster management and relief activities;
- (t) manage properties, assets and funds vested in it; and
- (u) maintain such statistics and data as may be prescribed and disseminate information on matters of public interest; and

(2) A Neighbourhood Council and the Village Council may perform any other function entrusted to it by the Government or its respective upper level local government, in whose local area the Neighbourhood Council or as the case may be the Village Council is situated.

### **Chapter – VIII** **Additional functions in relation to the Authorities, etc.**

**23. Functions and powers in relation to the Authorities, Agencies and Companies in the Metropolitan Corporations.**– (1) Notwithstanding anything to the contrary contained in this Ordinance or any other law for the time being in force, the Government may by notification in the official Gazette entrust the following companies, authorities and agencies providing municipal services and facilities in Metropolitan Corporations, to the respective Metropolitan Corporation:

- (i) Parks and Horticulture Authorities;
- (ii) Development Authorities;
- (iii) Water and Sanitation Agencies;
- (iv) Traffic Engineering and Planning Agency; and
- (v) Waste Management Companies.

(2) Subject to any specific direction and policy of the government, the Metropolitan Corporation shall perform the following functions and powers in respect of the companies, authorities and agencies:

- (a) administrative and financial control;
- (b) approval of policies, taxes, fees etc.;

(3) The Head of the respective Metropolitan Corporation or his nominated Deputy Mayor or a member of the Head's Cabinet shall be the ex-officio chairperson of the respective Authority, company or agency.

### **Chapter – IX**

## **District Local Government Authorities for the Devolved District Level Offices**

**24. Exercise of functions and powers in relation to the devolved district level offices of the Government Departments.**— (1) Notwithstanding anything to the contrary contained in any other law for the time being in force, subject to the provisions of subsection (2), the Government may, by notification in the official Gazette, devolve following district level offices of the Government departments, on the local governments:

- (a) Health (Primary and Secondary);
- (b) Education (School Education and Literacy and Non-Formal Basic Education);
- (c) Social Welfare;
- (d) Population Welfare; and
- (e) Sports.

(2) The Government may, through a notification published in the official Gazette, de-notify any devolved district level office of the Government Departments on the local governments.

(3) The devolved offices shall be administered, operated and managed at the district level, through the respective District Authority established under this Ordinance.

(4) The respective District Authority shall exercise such authority within the district in accordance with the general policy of the Government.

**25. District Authorities.**— For each devolved district level office of a Government Department, a separate District Authority shall be established by the Government in each district through a notification published in official Gazette, as follows:

- (i) A District Health Authority for the devolved function of district level office of Primary and Secondary Healthcare Department;
- (ii) District Education Authority for the devolved function of district level offices of School Education Department and Literacy and Non-Formal Basic Education Department;
- (iii) District Social Welfare Authority for the devolved function of district level office of Social Welfare Department;
- (iv) District Population Control Authority for the devolved function of district level office of Population Welfare Department;
- (v) District Sports and Recreation Authority for the devolved function of district level office of Sports Department; and
- (vi) Any other District Authority established by the Government, for each district level office of a Government Department, which is notified to have been devolved on the local governments.

**26. Composition and management of the District Authorities.**— (1) The administration, operation and management of the respective District Authority shall vest in its Executive Board, comprising:



- (a) the Lord Mayor of Lahore Metropolitan Corporation as the Chairperson of all the District Authorities in the District and his nominated Deputy Mayor or one of the Member of the Head's Cabinet or the Council as the Vice Chairperson of a District Authority, in Lahore district having qualification and experience as given in subsection (3) section 14 of this Ordinance:

Provided that a Vice Chairperson of a District Authority in Lahore district shall not hold the office of Vice Chairperson of more than one District Authority;

- (b) the District Mayor of a district as the Chairperson of all the District Authorities in the District and his nominated Deputy Mayor or one of the Members of the Head's Cabinet or the Council as the Vice Chairperson of a District Authority, except districts of Sialkot, Gujrat, Bahawalpur, Dera Ghazi Khan, Faisalabad Gujranwala, Multan, Rawalpindi, Sahiwal and Sargodha having qualification and experience as given in subsection (3) of section 14 of this Ordinance:

Provided that a Vice Chairperson of a District Authority shall not hold office of Vice Chairperson of more than one District Authority;

- (c) the District Mayor of a District Council and City Mayor of Metropolitan Corporation, as the Chairperson and Vice Chairperson respectively in the districts of Sialkot, Gujrat, Bahawalpur, Dera Ghazi Khan, Faisalabad Gujranwala, Multan, Rawalpindi, Sahiwal and Sargodha having qualification and experience as given in subsection (3) of section 14 of this Ordinance;

- (d) Deputy Commissioner of the concerned District or his nominee not below BS-18 as member;

- (e) Chief Executive Officer of the District Authority as member and Secretary of the Executive Board;

- (f) Director or Deputy Director of the Directorate General as member;

- (g) a representative of the Commissioner of the Division concerned not below BS-18 as member;

- (h) two experts as members including one woman having qualification and experience as given in subsection (3) of section 14 of this Ordinance to be nominated by the Chairperson of the Authority;

- (i) District Attorney of the concerned district as member

(2) The District Authority shall be responsible for management and supervision of the respective devolved office and its public service delivery.

(3) The District Authority shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

(4) The Departmental District Head of each devolved district level office of the respective Government Department shall be the ex-officio Chief Executive Officer of the Authority.

(5) The Chief Executive Officer shall be the Principal Accounting Officer of the Authority and shall perform such functions as are mentioned in this Ordinance or as may be prescribed or as may be delegated by the District Authority or as the Government may assign.

(6) The District Office of each devolved district level office of the respective Government Department shall be the secretariat of the respective District Authority.

(7) The Authority shall receive its funds through one liner budget provision, directly from Finance Department.

**27. Performance of functions by the District Authorities.**– (1) The respective District Authority shall perform all the functions of the district level office of the respective Government Departments devolved on the local government to carry out purposes of this Ordinance.

(2) In particular and without prejudice to the generality of the foregoing powers, a District Authority shall:

- (a) establish, manage and supervise all the facilities and institutions of the respective devolved office;
- (b) approve the budget of the Authority and allocate funds to the institutions under its administrative control;
- (c) provide stewardship, ownership and oversight of service delivery of the devolved office within the policy framework given by the Government;
- (d) coordinate planning and allocate finances for provision of service delivery at District level;
- (e) develop linkages between private and public sectors for enhancing access and coverage of service facilities to the general public and improving quality of these services;
- (f) coordinate emergency response during any natural calamity or emergency;
- (g) ensure human resource management and capacity development of service delivery personnel under the policy framework given by the Government;
- (h) ensure performance based contracts with service delivery managers as per prescribed indicators;
- (i) monitor, exercise oversight and performance evaluation of service delivery managers as per agreed performance indicators either directly or through a third party;
- (j) liaison with the Government for technical and logistic support in case of any emergency or disaster;

- (k) implement policies and directions of the Government including achievement of key performance indicators set by the Government for the respective devolved function;
- (l) ensure implementation of minimum service delivery standards, infrastructure standards, as prescribed by the Government; and
- (m) perform any other function as may be assigned by the Government.

(3) In the performance of their functions, the District Authorities shall also be bound and be guided by the policies and instructions issued, from time to time, by the Government.

### **Chapter – X**

#### **Mode of Discharge of Functions by the local governments – Agency Arrangement and Joint Authorities.**

**28. Discharge of functions by local governments.**– (1) Subject to subsection (2), a local government may discharge its functions through one or more of the following means:

- (a) an officer or servant of the local government;
- (b) a joint authority established under this Ordinance;
- (c) another local government by mutual agreement;
- (d) an office, authority or agency owned or operated by the Government by mutual agreement; and
- (e) by otherwise contracting out.

(2) No local government shall contract out any public service which constitutes or involves the exercise of power to award administrative or other penalties, interferes with or otherwise affects the liberty of an individual, involves the power to enter, search or seize any property, or power or duty to enforce any law.

**29. Delegation of functions to Village Councils and Neighbourhood Councils.**– (1) A Metropolitan Corporation and a District Council may, by a mutual agreement, delegate one or more of its functions or one or more public services relating to any such function, to a Neighbourhood Council or a Village Council.

(2) In the performance of a function or delivery of a public service delegated under subsection (1), the Neighbourhood Council or the Village Council, as the case may be, shall adhere to the general or specific directions of the local government delegating that function.

**30. Agency arrangements.**– (1) A local government may, through a written agreement, make arrangements with any other local government, or an office, Authority, agency or company of the Government or the Federal Government, for performance of any of its function.

(2) The expenses incurred for carrying into effect the agreement under subsection (1) shall be defrayed by the local government etc., for whom services are provided.

(3) In case of a disagreement on the amount of expenses or the actual value of expenses to be paid or received by a local government during a particular period, the expenses shall be paid and received in such amount and in such manner as may be determined by the Commission.

(4) Every local government shall keep separate accounts for the purposes of this section in the prescribed manner:

provided that arrangements made under this Ordinance shall not diminish, in any respect, the responsibility of a local government with regards to the function or public service.

**31. Establishment of joint authorities.**— (1) Two or more local governments may, in the prescribed manner, establish a joint authority for the provision of one or more of such public services which relate to a function assigned to them under this Ordinance.

(2) For the purpose to oversee the functions of the joint authority, the constituting local governments may notify a joint Committee.

**32. Inter-agency coordination.**— (1) A Deputy Commissioner shall, in relation to the district under his charge:

- (a) establish coordination between the local governments and the Provincial or Federal agencies, in respect of matter which relates to or affects the work of one or more provincial or federal agencies in the district;
- (b) establish coordination between one or more local governments and a cantonment adjoining such local government, for cooperation in respect of integrated services relating to provision of sanitation, water supply, sewerage collection and disposal and similar other services;
- (c) advise local governments on avoiding duplication by prioritization of works of similar nature being undertaken by the Government or one or more local governments in the district;
- (d) amicable settlement of disputes among local governments or a local government with other Government agencies in the district; and
- (e) convey and ensure implementation of Provincial or Federal Government initiative, direction or measure as principal representative of the Government under the Punjab Civil Administration Act, 2017 (Act III of 2017).

(2) Every local government shall generally cooperate with the Deputy Commissioner in performance of his functions under this section.

(3) Where an act of the Deputy Commissioner under subsection (1) is, in the opinion of the Head of a local government, unfair or unreasonable, he may make a reference to the Secretary.

(4) The Secretary may, after having considered the reference and the related circumstances, issue appropriate directions, to the Deputy Commissioner or take such other action in respect of the matter as may, in his opinion, be just or expedient having regards to the circumstances of the case.

## **Chapter - XI** **Duties of Certain Functionaries**

**33. Duties and powers of a Head of the local government.**— (1) In addition to any other duty assigned to him under this Ordinance or any other law for the time being in force, a Head of the local government shall be responsible for:

- (a) ensuring that the business of the local government is carried out strictly in accordance with this Ordinance and all other relevant laws for the time being in force;
- (b) efficient, effective and transparent functioning of the local government;
- (c) accomplishment of operational, developmental and fiscal objectives set out by the Council or as the case may be by the Government;
- (d) presenting annual report on the performance of local government to the Council during each financial year;
- (e) representation of the local government at civic or ceremonial functions;
- (f) any other duty, as the Council may, by a general or special resolution direct;
- (g) any other duty as may be assigned to him by the Government; and
- (h) general supervision and control over officers of the local government for the above purposes.

(2) At the end of each calendar year or at such other appointed interval, the Head of the local government shall evaluate the work done and results obtained by the Chief Officer as against his duties and the manner in which he exercised his powers under this Ordinance and submit a report to the Secretary in the prescribed manner.

(3) A Head of the local government shall have the right to be present and participate in the proceedings of the Council and exercise the right to address the Council, its committees or a sub-committees, but he shall not vote.

**34. Duties and powers of a Speaker.**— (1) In addition to any other duty assigned to him under this Ordinance, a Speaker shall:

- (a) convene meetings of the Council as required under this Ordinance;
- (b) preside over, and ensure orderly conduct of meetings of the Council at which he is present;
- (c) maintain record of meetings of the Council; and

- (d) constitute committees of the Council under this Ordinance and oversee their working.

(2) A Speaker shall, in relation to the above duties, exercise such powers as are conferred upon him under this Ordinance or any other law for the time being in force.

(3) Without prejudice to the provisions of subsection (2), a Speaker may, in relation to above duties, direct a Councillor to abstain from or withdraw immediately from a meeting, where in his opinion:

- (a) the attendance of meeting by that Councillor would constitute conflict of interest under this Ordinance; or
- (b) if the Councillor's conduct, during the meeting, is grossly disorderly.

**35. Duties of a Councillor.**— (1) While acting under this Ordinance, a Councillor shall:

- (a) serve the overall interest of the local area which he represents; and
- (b) ensure that there is no conflict, or possible conflict between his private interest and honest performance of his role of serving public interest.

(2) A Councillor shall not direct or attempt to direct an officer or servant of a local government, or otherwise interfere in performance of their duties.

**36. Duties and powers of Chief Officer.**— (1) In addition to any other duty assigned to him under this Ordinance or any other law for the time being in force, a Chief Officer shall:

- (a) work as the principal accounting officer of the local government;
- (b) assist and advise the Head of a local government, Speaker, committees and sub-committees of the Council in proper discharge of their duties under this Ordinance;
- (c) ensure timely, effective and efficient implementation of local government policy and decisions;
- (d) supervise and control officers and servants of the local government and coordinate and synergize the work of all offices of the local government;
- (e) maintain financial and administrative discipline and ensure that the business of the local government is carried out strictly in accordance with the provisions of this Ordinance and other laws for the time being in force;
- (f) enter into and manage all contracts on behalf of a local government, with the approval of the Head of a local government;
- (g) undertake all procurements on behalf of a local government;

- (h) maintain records pertaining to the functions of a local government;
  - (i) act for and on behalf of a local government, in every action or other legal proceedings whether instituted by or against the local government;
  - (j) assist relevant authorities in the circumstances of emergency; and
  - (k) perform such other duties as are assigned to him by the Government, Secretary, Head of a local government, Council or a committee or sub-committee of the Council.
- (2) A Chief Officer shall, in relation to the above duties, exercise:
- (a) such powers as are conferred upon him under this Ordinance or any other law for the time being in force;
  - (b) such powers of the local government as are delegated upon him by the Council through a resolution; and
  - (c) such powers of the Head of the local government as are delegated upon him by the Head of the local government.

**37. Attendance of Council meetings by Chief Officer.**— The Chief Officer shall, when required by the Speaker, attend a meeting of the Council or a committee or sub-committee of the Council and render such advice or provide such assistance as may reasonably be required of him.

**38. Personal responsibility for acts done and expenditure incurred without lawful authority.**— Every person exercising any authority for the purposes of this Ordinance, shall be personally responsible for:

- (a) any act done by him personally or done under his direction; or any loss, financial or otherwise, suffered by a local government due to a decision made by him personally or under his direction;
- (b) any expenditure incurred by him personally or incurred under his direction, if such action, direction, or decision is taken or expenditure is incurred, without lawful authority or in violation of any provision of this Ordinance or any other law for the time being in force.

## **Chapter - XII** **Conduct of Business**

**39. Conduct of business.**— (1) The business of a local government shall be conducted in the prescribed manner.

(2) Any proceedings or decision of a local government shall not be invalid merely because of a vacancy or defect in the membership of the local government.

(3) A local government may appoint committees consisting of such number of its members and other persons to perform such functions and in such manner as may be prescribed.

**40. Meetings of the House.**– (1) A local government shall, within three months of the assumption of office, frame bye-laws for the conduct of its meetings.

(2) A meeting of a local government shall be presided over by its Speaker.

(3) A local government shall hold at least one meeting during a month.

(4) A meeting of a local government shall be open to public except when a local government, by simple majority, decides to consider any matter in a session attended exclusively by its Councillors, officers and officials.

(5) The Chief Officer or an officer authorised by him shall record minutes of the meeting of a local government and submit the same to the person who presided the meeting for approval.

(6) The Chief Officer shall, after approval, issue the minutes of a meeting under his signatures.

(7) The Government may, in the prescribed manner, grant observer status to teachers, physically disadvantaged persons, or any other category of individuals or organizations to represent stakeholders, to enable them to attend the proceedings of the House:

provided that such observer shall have no right to vote or interfere in the proceedings of the House.

Provided further that such observer shall have no right to speak except with the prior permission granted by the Speaker before commencement of the meeting.

**41. Contracts.**– (1) All contracts made by or on behalf of a local government shall be:

(a) in writing and expressed to be made in the name of the local government;

(b) executed in such manner as may be prescribed; and

(c) reported to the local government by the Head of the local government in the meeting next following the execution of the contract.

(2) A local government may assign any of its functions to a public or private organization on such terms and conditions as may be prescribed or enter into public-private partnership for efficient performance of any of its functions.

### **PART 3 ELECTIONS, TERM OF OFFICES AND RELATED MATTERS**

#### **Chapter - XIII Authority for Local Government Elections**

**42. Election Commission to conduct local government elections.**– (1) All elections under this Ordinance shall be conducted by the Election Commission.

(2) The Election Commission shall undertake such measures and make such arrangements as are necessary for the conduct of elections in accordance with the law and in a just, fair and transparent manner.



**43. Elections Act to apply.**– For the purpose of local government elections, the Elections Act shall, as nearly as possible, apply to an election under this Ordinance.

**44. All authorities and persons to assist the Election Commission.**– (1) The Election Commission may require any person or authority in the Province to perform such function or render such assistance as may be required for the purposes of this Ordinance.

(2) It shall be the duty of all persons and authorities required to perform a function or render any assistance under subsection (1) to perform such function or render such assistance, in as much as may be reasonably possible.

(3) The Government shall make available to the Election Commission the services of such of its officers and servants as the Election Commission may require for the purposes of this Ordinance.

**Explanation:** For the purpose of this section, any reference to an Authority shall include an authority which is not owned or controlled by the Government.

**45. Delegation of powers.**– The Election Commission may delegate any of its functions or powers in accordance with the Elections Act.

**46. Election Commission to regulate its own procedure.**– The Election Commission shall, subject to this Ordinance and the rules, regulate its own procedure for the conduct of elections under this Ordinance.

#### **Chapter - XIV** **Election Method, Franchise and Related Matters**

**47. Election Method.** – (1) Election of local governments shall be held on party basis through secret ballot on the basis of adult franchise, through Electronic Voting Machine (EVM) and I-voting, in the prescribed manner.

(2) The Head of a local government, Deputy Mayor, or Vice Chairperson, and the Councillors to the reserved seats shall be elected, as joint candidates, on the basis of simple majority in terms of section 57.

(3) The general Councillors shall be elected on closed list proportional representation basis in terms of section 57.

(4) The Head of a local government, Deputy Mayor, or Vice Chairperson, as the case may be, and all Councillors shall be elected by eligible voters of the respective electoral unit.

(5) Only a Political Party or an Electoral Group shall be entitled to contest elections by fielding qualified candidates for the office of Head of the local government, Deputy Mayor, or Vice Chairperson, as the case maybe, and at least as many qualified candidates for elections as there are seats of Councillors.

(6) No Political Party or an Electoral Group shall be entitled to contest if it is unable to field qualified candidates for all the categories of candidates under subsection (5).

(7) Where a Political Party or an Electoral Group is contesting an election under this Ordinance, its candidates for the Head, Deputy Mayor, or Vice Chairperson, as the case may be, and reserved seats, as joint candidates, and

general Councillors shall contest election on the lists of the Political Party or the Electoral Group prepared under subsections (8) and (9).

(8) A Political Party or an Electoral Group contesting election under this Ordinance shall indicate the names of the candidates for seats of Head, Deputy Mayor or Vice Chairperson, as the case may be, of a local government and Councillors for reserved seats, as joint candidates, on a list which shall not be varied after expiry of the date for submission of nomination papers for an election under this Ordinance.

(9) A Political Party or an Electoral Group contesting election under this Ordinance shall indicate the names of the candidates for seats of general Councillors on a list in ranking order in which they may be elected on the basis of votes obtained by the Political Party or the Electoral Group, on the basis of proportional representation.

(10) After expiry of the date fixed for submission of nomination papers for an election under this Ordinance, the list referred to in subsection (9) shall not be varied by any Political Party or, as the case may be, any Electoral Group in terms of ranking order of the candidates or the name of the candidates by way of addition of a fresh name or omission of an existing name in the list.

(11) Nothing in this section shall prevent a Political Party or an Electoral Group from fielding additional qualified candidates in ranking order to the seats of the Head of a local government, Deputy Mayor, Vice Chairperson and Councillors, keeping in view any possibility of rejection of nomination papers to avoid disenfranchisement, or for filling casual vacancies during the term of the Council for any reason.

(12) The Speaker of a local government, except Neighbourhood Council and Village Council, shall be elected by the Councillors from amongst themselves, in the prescribed manner, through simple majority of votes, in the first meeting of the Council.

(13) Where the seat of the Head of a local government or Deputy Mayor or Vice Chairperson, as the case may be, the seat of the Speaker and a Councillor falls vacant during their term of office, they shall be elected in the same manner in terms of sections 69 and 70 of this Ordinance.

**48. Opposition Leader.**— The Councillors representing opposition in the House shall soon after assumption of their office, through written intimation to the Speaker, nominate the opposition leader in the House to represent them.

**49. Electoral units.**— (1) The entire local area of a local government shall constitute one multi-member electoral unit for elections to the respective local government.

(2) The Election Commission shall, at least forty five days prior to the date fixed for the election, notify electoral units in the official Gazette.

(3) The electoral units constituted under this section shall remain valid for every subsequent election under this Ordinance unless altered by the Election Commission subsequent to review of local areas under this Ordinance.

**50. Enlistment of an Electoral Group.**– (1) The Election Commission shall, through public notice, specify the dates for enlistment of Electoral Groups of a local government, with the office of the Election Commission for election under this Ordinance.

(2) The Head of a proposed Electoral Group may, in the prescribed manner, apply for enlistment of the Electoral Group, by submitting a list of his members of the Electoral Group which shall not be less than the total seats of Head, Deputy Mayors or Vice Chairpersons as the case may be, and Councillors including reserved seats as given in the First Schedule for the local government, for which his Electoral Group wishes to contest election.

(3) For enlistment of an Electoral Group, a non-refundable fee of one thousand rupee per member shall be deposited along with the application for enlistment.

**51. Electoral rolls.**– The Election Commission shall use the electoral rolls prepared under the Elections Act for elections under this Ordinance.

**52. Right to vote.**– (1) No person shall be eligible to vote in an electoral unit unless his name, for the time being, appears in the electoral roll of that electoral unit.

(2) A voter shall be entitled to cast only one vote for the Political Party or the Electoral Group, representing candidates of his choice for election of a local government.

## **Chapter - XV Conduct of Elections**

**53. Notification of election date and call up for election.**– (1) Through an order published in the official Gazette, the Election Commission shall, after consultation with the Secretary, fix a date or several dates for elections to one or more electoral units under this Ordinance:

Provided that firstly, the elections for Neighbourhood Councils and Village Councils shall be held and when the election process for the Neighbourhood Councils and Village Councils is completed in whole of the Province, only thereafter, the elections of Metropolitan Corporations and District Councils shall be conducted.

(2) The Election Commission shall thereby call upon:

- (a) the voters of the electoral unit to elect the Head of the local government, Deputy Mayors or Vice Chairperson as the case maybe, and Councillors; and
- (b) the Councillors, other than the Councillors of the Village Council and Neighbourhood Council, to elect the Speaker.

**54. Only nominated and eligible persons allowed to contest elections.**– (1) No person shall be nominated for an election under this Ordinance unless he is otherwise eligible for an election in terms of section 61 of this Ordinance.

(2) No person, shall contest an election under this Ordinance unless a Political Party or an Electoral Group includes that person as candidate for Head of

the local government, Deputy Mayor, Vice Chairperson or a Councillor on its lists of candidates.

(3) The Returning Officer shall not accept the nomination of a candidate unless the amount as may be prescribed, is paid in cash or in the form of a bank draft or pay order in favour of the Election Commission by or on behalf of the candidate as candidature fee.

(4) The candidature fee paid by or on behalf of the candidate shall be non-refundable.

(5) A candidate may pay only one candidature fee even if such candidate is nominated for the same seat by more than one nomination papers.

(6) The Returning Officer shall, in the prescribed manner, after public notice and hearing the person nominated as a candidate or a person authorized by him in this behalf, satisfy himself that each nomination has been properly made and the person nominated as a candidate is eligible to be a candidate for the relevant election, under this Ordinance.

**55. Manner of conducting Elections.**— Subject to the provisions of this Ordinance and the Elections Act, the elections under this Ordinance shall be conducted in the prescribed manner.

**56. Code of Conduct for elections.**— (1) The Election Commission shall by an order published in the official Gazette, issue a Code of Conduct for candidates, election agents, polling agents and other relevant persons for every election under this Ordinance.

(2) The Code of Conduct issued under subsection (1) shall, among other things, define the consequences of violation of its provisions and the authority responsible for taking cognizance of such violations and their powers for such purpose.

**57. Returned Candidates.**— (1) The candidates to the office of the Head of the local government, Deputy Mayor or Vice Chairperson as the case may be, and Councillors to the reserved seats, as joint candidates, appointed by the Political Party or the Electoral Group, securing highest number of votes in the respective electoral unit shall stand elected.

(2) The candidates to the office of a general Councillor shall be elected in the ranking order given by the Political Party or the Electoral Group on whose list they are contesting, in proportion to the votes secured by that Political Party or, as the case may be, Electoral Group in the respective electoral unit.

(3) Where there is equality of votes between two or more political parties or Electoral Groups obtaining highest votes, the Returning Officer shall forthwith draw a lot in respect of such political parties or Electoral Groups and on whom the lot falls, its candidate shall be declared elected.

(4) The Councillor of a local government, except a Neighbourhood Council and a Village Council, securing highest number of votes of the Councillors, in the first meeting of the Council shall stand elected as the Speaker.

**58. Announcement of Results.** – Immediately after the counting of votes, the results of every election under this Ordinance shall be announced through a public notice by the Returning Officer which shall be followed by a notification in the official Gazette by the Election Commission.

**59. Election to be called in question only before Election Tribunal.**– (1) No election under this Ordinance shall be called in question except through an election petition made to the Election Tribunal constituted under the Elections Act.

(2) The Election Tribunal shall follow procedures and exercise powers under the Elections Act.

**60. Notification of election, resignation and removal.**– The Election Commission shall, on its own or on receiving information by the Secretary, within fifteen days from the date of receipt of information, notify every election or a vacancy occurred due to death, resignation, disqualification or removal of a Head of a local government, Deputy Mayor, Vice Chairperson, Speaker or Councillor and publish the same in the official Gazette.

## **Chapter - XVI**

### **Qualifications and Term of Office of Candidates**

**61. Qualifications and disqualifications.**– (1) A person shall be eligible to be a candidate for the office of a Head of a local government, Deputy Mayor, Vice Chairperson, Speaker, or a Councillor if:

- (a) his name appears for the time being in the electoral roll of the electoral unit from where he is a candidate; and
- (b) he, on the last day fixed for the filing of nomination papers for that election, is not less than twenty one years of age in case of a Councillor, and not less than twenty five years of age in case of a Head or a Deputy Mayor or Vice Chairperson or a Convener:

Provided that the age for a candidate for the seat reserved for Youth shall not be less than eighteen years and more than thirty two years.

Provided that the qualifications of the Head of a local government shall preferably be intermediate or equivalent.

(2) Without any prejudice to the provisions of subsection (1), no person shall be eligible to be a candidate or to hold the office of a Head of a local government, Deputy Mayor, Vice Chairperson, Speaker, or a Councillor, if:

- (a) he is not eligible or becomes ineligible to be enrolled as a voter under the Elections Act;
- (b) he has been convicted by a Court of competent jurisdiction on a charge of corrupt practice, moral turpitude or misuse of power or authority under any law for the time being in force unless a period of five years has elapsed;
- (c) he is under contract for work to be done or goods to be supplied to that local government or has otherwise any pecuniary interest in its affairs;

- (d) he is in or enters into the service of Pakistan, or any statutory body or other body which is set up, or owned or controlled by the Government, or a local government in Pakistan, or in which the Government or a local government has controlling share or interest or he is or becomes a salaried official of a public or statutory corporation;
- (e) he holds an office of profit in the service of Pakistan other than an office which is not a whole-time office remunerated either by salary or by fee, or the office of Lumbardar, whether called by this or any other title, or the office of Qaumi Razakar;
- (f) he has been dismissed, discharged or compulsorily retired from the service of Pakistan, or the service of a local government or a public or statutory corporation on the charge of misconduct or a corrupt practice unless a period of three years has elapsed;
- (g) he has obtained a loan for an amount of ten hundred thousand rupees or more, from any bank, financial institution, cooperative society or cooperative body in his own name or in the name of his spouse or any of his dependents, which stands unpaid for more than one year from the due date, or has had such loan written off unlawfully;
- (h) he, his spouse or any of his dependents has not paid any tax, fee or any other charge payable to the government or a local government, or any amount exceeding ten thousand rupees due upon him, his spouse or any of his dependent for the use of any service such as telephone, electricity, gas or water for over six months;
- (i) he is declared to have defected his Political Party or, as the case may be, the Electoral Group under this Ordinance unless a period of three years has elapsed; and
- (j) he is declared by a court, to be disqualified for membership of the Parliament or a Provincial Assembly under any law for the time being in force.

(3) Where a person contesting an election to any office in the local government claims to be a Muslim, he shall submit to the Returning Officer a declaration given in the Third Schedule along with his nomination papers for the election.

**62. Defection from a Political Party or Electoral Group.**— (1) The Head of a Political Party or an Electoral Group may, after giving him an opportunity to show cause, declare a Head of the local government, Deputy Mayor, Vice Chairperson, Speaker or a Councillor to have defected his Political Party or, as the case may be, the Electoral Group who, after having been elected on its list:

- (a) joins another Political Party or an Electoral Group; or
- (b) votes or abstains from voting in the Council contrary to any direction of the Political Party or, as the case may be, Electoral Group in relation to the election of the Speaker, or a vote for

removal of the Head of the local government, Deputy Mayor, Vice Chairperson, or a Speaker.

(2) After having declared a Councillor to have defected, the Head of the Political Party or, as the case may be, Electoral Group shall forthwith forward a copy of the declaration to the Election Commission.

(3) Where the declaration is confirmed by the Election Commission after due notice and inquiry, the Head of the local government, Deputy Mayor, Vice Chairperson, Speaker or Councillor referred to in subsection (1) shall cease to hold office.

**Explanation:** For the purpose of this section, the Head of a Political Party or Electoral Group shall mean any person by whatever name called, declared as such by the Political Party or, as the case may be, Electoral Group.

**63. Effect of being found to be disqualified to be a candidate, Head of the local government, Deputy Mayor, Vice Chairperson, Speaker, or a Councillor.–**

(1) A person, on being found by the Election Commission to have filed nomination papers for a local government election or holding the office of a Head of the local government, Deputy Mayor, Vice Chairperson, Speaker or a Councillor, while knowing that he is not eligible to file such nomination papers or to hold such office; or have made election expenses in excess of the prescribed limit; or have failed to file a return on election expenses; or filed a return that contains particulars that to his knowledge are false or misleading, shall:

- (a) in case he is a candidate to a local government election, stand disqualified from being a candidate for the office of the Head of the local government, Deputy Mayor, Vice Chairperson, Speaker or a Councillor, for a period of five years from the date of disqualification.
- (b) in case he is a Head of the local government, Deputy Mayor, Vice Chairperson, Speaker or a Councillor shall, cease forthwith to hold such office, and shall also stand disqualified from being a candidate in the local government election, for a period of five years from the date he ceased to hold such office.

(2) The Secretary or any resident of the relevant local area may make a written complaint to the Returning Officer or the Election Commission to seek disqualification of a candidate from contesting local government election or from holding office on any ground mentioned in this section.

(3) Every order of the Returning Officer or the Election Commission under this section shall be passed in writing and after conducting inquiry as deemed appropriate and after affording right of hearing to such candidate or office holder as the case may be.

**64. Bar against double membership and requirement to tender resignation to contest for certain other political offices.–** (1) No person shall simultaneously hold the office of a Head of the local government, Deputy Mayor, Vice Chairperson, Speaker, or a Councillor in more than one local governments.

(2) No person shall simultaneously hold more than one such elected offices in the same local government except a Councillor who is elected as the Speaker.

(3) No person shall simultaneously hold the office of a Head of the local government, Deputy Mayor, Vice Chairperson, Speaker or a Councillor and a Member of the Parliament or Provincial Assembly.

(4) Where a Head of the local government, Deputy Mayor, Vice Chairperson, Speaker, or a Councillor is elected to any other political office, his seat held in the local government shall become vacant, immediately upon issuance of notification as a returned candidate in the subsequent election.

**65. Term of office of the Council, Head of the local government, Deputy Mayor, Vice Chairperson, Speaker or a Councillor.**– (1) Subject to this Ordinance, the term of office of a Council shall be four years commencing on the date on which it holds its first meeting.

(2) The term of office of every Head of the local government, Deputy Mayor, Vice Chairperson, Speaker, and Councillor shall, unless removed earlier under this Ordinance, be the same as that of the term of office of the Council.

**66. First Meeting and Oath of office.**– (1) As soon as may be but not later than one month after the notification of results of an election by the Election Commission, the date or several dates of the first meeting of the Councils shall be fixed by the Election Commission.

(2) A person elected as a Head of the local government, Deputy Mayor, Vice Chairperson, Speaker or Councillor shall, before assuming his office, make and subscribe to an oath, appropriate to his office, in the form set out in the Fourth Schedule.

(3) The Election Commission shall nominate the Presiding Officers who shall administer the oath.

**67. Effect of failure to take oath.**– (1) The Election Commission shall, after giving an opportunity to show cause, disqualify an elected Head of the local government, Deputy Mayor, Vice Chairperson, Speaker or Councillor from holding office, who fails to take oath within sixty days from the date of first meeting of the Council.

(2) The Secretary, respective Chief Officer or any resident of the relevant local area may make a written complaint to the Election Commission for disqualification of a Head of the local government, Deputy Mayor, Vice Chairperson, Speaker or Councillor under this section.

**68. Resignation by a Head of the local government, Deputy Mayor, Vice Chairperson, Speaker or Councillor.**– (1) Any Head of the local government, Deputy Mayor, Vice Chairperson, Speaker or Councillor may, at any time, resign from his office by writing under his hand to the respective Chief Officer, whereupon his resignation shall be deemed to have been accepted and effective forthwith.

(2) The Chief Officer receiving a resignation under subsection (1) shall forthwith forward it to the Secretary.



(3) The Secretary shall immediately send the copy of resignation to the Election Commission which shall, by notification to be issued within fifteen days from the date of receipt of resignation, declare the office of the resigning Head of the local government, Deputy Mayor, Vice Chairperson, Speaker or Councillor to be vacant from the date of receipt of resignation by the Chief Officer.

(4) Notwithstanding the resignation of a Head of the local government, Deputy Mayor, Vice Chairperson, Speaker or Councillor under subsection (1), any proceedings for his removal under this Ordinance, if already initiated, shall not abate as the same may result in his disqualification.

**69. Fresh elections in case of casual vacancy in the office of a Speaker.**– (1) If the office of the Speaker of a Council, other than a Neighbourhood Council or a Village Council falls vacant during the term of the Council due to his removal on the basis of misconduct, disqualification or any other reason, the Election Commission shall hold a fresh election to the office of the Speaker of the Council.

(2) The Speaker of a Council elected through a fresh election under this section shall, unless removed earlier under this Ordinance, hold office only for the residual term of the Council.

**70. Filling up of casual vacancies of Head, Deputy Mayor, Vice Chairperson and Councillors.**– (1) If, for any reason, the office of a Head, Deputy Mayor, Vice Chairperson or Councillor on reserved seat in a local government, falls vacant during the term of a Council, the additional candidate mentioned under subsection (11) of section 47 of this Ordinance by the Political Party or the Electoral Group to which the Councillor vacating the office belonged, shall stand elected to that office.

(2) If, for any reason, the office of General Councillor in a local government, falls vacant during the term of a Council, the candidate immediately below the last elected candidate in the ranking order declared under subsection (9) of Section 47 of this Ordinance by the Political Party or the Electoral Group to which the Councillor vacating the office belonged, shall stand elected to that office.

(3) If at any time, the list is exhausted, the concerned Political Party or Electoral Group may submit additional names for any vacancy, which may occur thereafter.

(4) A Head, Deputy Mayor, Vice Chairperson or Councillor elected under this section shall, unless removed earlier under this Ordinance, hold office for the residual term of the Council.

(5) If a vacancy referred to in subsection (1) occurs within one hundred and twenty days before the expiry of the term of the Council, the vacancy shall not be filled.

**71. Power of the Chief Minister to appoint an administrator.**– On expiry of the term of a Council, or otherwise pending the constitution of a new local government or a Council, the Chief Minister shall, by an order published in the official Gazette, appoint any of its officers to perform such functions and exercise such powers and authority of the respective local government as may be specified in that order.

#### **PART 4**

### **LOCAL GOVERNMENT FINANCE AND PROPERTIES**

**Chapter - XVII**  
**Local Government Finance**

**72. Funds of a local government.**— (1) A local government shall establish a Local Fund, and all the revenues received by the local government from the following sources shall be credited to the Fund:

- (a) the proceeds of taxes, tolls, fees, rates or charges levied by the local government;
- (b) grants made to or monies received by the local government from the Government or other sources;
- (c) rents and profits payable or accruing to the local government from immovable property vested in or controlled or managed by it;
- (d) proceeds or any other profits from any investment;
- (e) gifts, grants or contributions to the local government by individual or institutions;
- (f) income accruing from markets or fairs regulated by the local government;
- (g) fines and penalties imposed under this Ordinance;
- (h) proceeds from other sources of income which are placed at the disposal of the local government under directions of the Government;
- (i) all monies transferred to the local government by the Government; and
- (j) monies transferred by another local government under this Ordinance.

(2) The Government shall transfer the grants of a local government in the shape of share of the local government in the Punjab Finance Commission Award and share in the proceeds of taxes, tolls, fees, rates or charges levied by the local government collected by the Government to the Local Fund of the local government on monthly basis.

(3) Every local government shall maintain a Public Account to place all revenues received by the local government from the following sources:

- (a) receipts accruing from trusts administered or managed by the local government;
- (b) refundable deposits received by the local government; and
- (c) deferred liabilities.

(4) A local government may establish and maintain a separate account for any special purpose to which one or more sources of revenue mentioned in subsection (1) or any part of these sources or any specified portion of the Local Fund may be assigned.

(5) The separate account under subsection (1) shall be maintained, administered and regulated as a Local Fund.

**73. Custody of Local Fund and Public Account.**— The monies credited to the Local Fund or the Public Account of a local government shall be kept and operated in an account of the local government in such manner as may be prescribed.

**74. Charged expenditure.**— (1) The following expenditure shall be charged upon the Local Fund:

- (a) the money required for repayment of loans;
- (b) the money required to satisfy any judgment, decree or award against the local government;
- (c) the money required by the Government to contribute towards the conduct of local government elections and other deferred liabilities of the local government; and
- (d) such other expenditure of local government as may be directed by the Secretary.

(2) If any expenditure is a charge upon the Local Fund and is not paid, the Secretary may, by order, direct the person having the custody of the respective Local Fund to pay such amount from the Local Fund.

**75. Application of Local Fund.**— (1) The monies credited to a Fund shall be expended by a local government in accordance with the annual budget and supplementary budget approved by its Council.

(2) A local government may transfer approved budgeted amounts to any local government or Community Council or Panchayat or Community Based Organization, within its local area, for expenditure for the purpose of carrying out a project service or activity transferred to, or managed by, the recipient local government, Community Council, Panchayat or Community Based Organization, in the prescribed manner.

(3) The application of Local Fund shall be subject to the budgetary constraints and according to the minimum prescribed ratio of development and non-development expenditures:

provided that the schedule of establishment shall be maintained by the local governments as may be prescribed.

(4) The development budget shall be prioritized in accordance with the bottom up planning system as laid down in section 78:

provided that:

- (a) not less than twentyfive percent of the development budget shall be set apart for utilization in accordance with the provisions of section 78; and
- (b) the amount referred to in clause (a) which remains unspent shall be credited under the same Head in the following year's budget in addition to the fresh allocation under the said clause for that year.

(5) Where a new local government is to take over during a financial year as a result of fresh elections, the outgoing local government shall not spend funds or make commitments for any expenditure under any Demand for Grant or

Appropriation in excess of eight percent per month of the budgeted funds for the remainder of its term in office in that financial year.

(6) In every budget, a provision may be made for payment of such performance incentive bonuses as may be prescribed.

(7) Expenditure from the Fund of a local government on a new post or filling of an existing vacant post or total establishment expenditures, as the case may be, in a financial year shall not increase more than ten percent in total from the actual establishment expenditures of the previous year:

provided that this subsection shall not apply to a general salary increase of existing schedule of establishment prescribed by the Government.

**76. Budget preparation.**— (1) The annual budget for a local government shall contain estimates of:

- (a) grants from the Government;
- (b) amounts available in the Local Fund;
- (c) receipts for the next year; and
- (d) expenditure to be incurred for the next year.

(2) The Government shall, sufficiently before the beginning of each financial year, notify the provisional share which may be credited to the Local Fund of a local government from the Provincial Allocable Amount.

(3) The functionaries of a local government may re-appropriate budget in accordance with the powers of re-appropriation delegated to them by the local government, and at the end of the financial year, a revised budget shall be submitted to the local government for approval.

(4) A demand for a grant shall not be made except on the recommendation of the Head of local government.

(5) Conditional grants from the Government or other local government shall be shown separately in the budget and shall be governed by the conditions on which such grants were made.

(6) Before the commencement of a financial year each local government shall, for its Fund, prepare in the prescribed manner, a budget for that year in conformity with the provisions of section 78.

(7) A local government shall prepare the budget in the prescribed manner and in accordance with the chart of accounts notified by the Auditor-General of Pakistan.

**77. Approval of budget.**— (1) Before the commencement of the next financial year, the Head of local government shall present the budget for consideration and approval of the local government.

(2) The local government may discuss the charged expenditure but shall not vote on such expenditure.

(3) The budget of a local government shall, subject to quorum, be approved by simple majority and the local government shall not take up any other business during the budget session.

(4) Secretary may review approved budget of a local government, and if found contrary to the budget rules, may require the local government to rectify it.

(5) A budget shall not be approved if the sums required to meet estimated expenditure including previous liabilities and commitments exceed the estimated receipts.

(6) In case a budget is not approved by a local government before the commencement of the financial year to which it relates, the local government shall spend money under various objects, on pro-rata basis in accordance with the budgetary provisions of the preceding financial year for a period not exceeding thirty days.

(7) A local government shall not spend funds or make commitments for any expenditure under any demand for grant or appropriation in excess of eight percent of the amount budgeted in the preceding year within the period of thirty days mentioned in subsection (6).

(8) In case, a local government fails to pass the budget within the extended period as specified in subsection (6), the Secretary shall prepare, approve and authenticate the budget of the local government for full year.

(9) After approval of the budget by a local government, the Head of local government shall authenticate under his signature a schedule specifying:

(a) grants made or deemed to have been made by the local government; and

(b) sums required to meet the expenditure charged upon the Local Fund.

(10) The budget authenticated under subsection (8) shall be laid before the local government but shall not be open to discussion or vote.

(11) The authenticated budget shall be communicated to the local government functionaries, accounts officials and the Secretary.

(12) At any time before the expiry of the financial year to which the budget relates, a revised budget for the year may, if necessary, be prepared and such revised budget shall be approved in the manner as that of annual budget.

**78. Bottom up planning and the community ownership incentive system.–**

(1) Before the beginning of the financial year the respective local government shall lay down and announce the classification of development schemes to be undertaken exclusively under the provisions of this section.

(2) A local government may grant to the Community Based Organization within its local areas, up to eighty percent of the budgeted amount of an approved development scheme in the manner prescribed:

Provided that a scheme shall be deemed to be an approved scheme if:

(a) the prescribed departmental procedure for estimating the cost of the scheme has been followed;

(b) the estimating officer certifies that the scheme meets the requirements laid down by law;

- (c) the Community Based Organization has deposited its share of the cost of the development scheme with the concerned local government; and
- (d) the complete departmental estimates and the proof of deposit of the contribution of Community Based Organization are attached.

(3) The grant referred to in subsection (2) shall be spent from the reserved twenty five percent of the annual development budget as provided in section 75.

(4) A cut-off date for submission of all schemes proposed by the Community Based Organization shall be announced by the local government concerned before the presentation of its budget.

(5) The respective local government shall authorize an official to draw up a statement specifying the schemes submitted by the cut-off date specified in subsection (4) by classification including the total amount of contributions for a particular classification of schemes.

(6) A second statement shall determine contributions for a particular classification of schemes as a ratio of the total contributions for all schemes submitted with a particular local government for that year, and the statement shall be used to determine amounts of allocations for a classification of schemes from the budget reserved for the purpose.

(7) A third statement shall be drawn up which shall identify the number of schemes submitted in a particular classification, beginning with the scheme containing the highest contribution by the Community Based Organization in a classification until all the schemes in the classification are selected or the funds allocated for that particular classification in the amount determined in subsection (6) are exhausted.

(8) The twenty five percent funds for Community Based Organization under section 75 shall be communicated to the authorized officer under subsection (5).

(9) The identified schemes shall be included in the budget before submission to the concerned Council.

(10) The statement referred to in subsection (7) shall be approved by a simple majority of the members of the respective Council in a budget session to be held by the respective Council.

(11) The schemes approved by the respective Councils shall be carried out as prescribed.

(12) Subject to subsection (10), the Accounts Official of the respective local government shall release funds in the prescribed manner in accordance with the schedule of expenditure.

**79. Honoraria and allowances.**— A local government may, subject to the prescribed limitations, make budgetary provisions for honoraria and allowances of the Head of local government, Deputy Mayor, Vice Chairperson or a Councillor of the local government.

**80. Accounts.**— (1) The accounts of all receipts and expenditure of a local government shall be kept in such form and in accordance with such principles and methods as may be prescribed by the Auditor-General of Pakistan.

(2) In addition to maintenance of accounts by a local government, Provincial Director, Local Fund Audit of the Government shall maintain the accounts of the local governments, other than the accounts of the Neighbourhood Council and Village Council, and devolved offices managed under the respective District Local Government Authority.

(3) The Secretary of a Neighbourhood Council or a Village Council, as the case may be, shall maintain the accounts of the Neighbourhood Council and Village Council.

(4) Accountant General and District Accounts Officer of the District shall maintain the accounts of the devolved offices managed under the respective District Local Government Authority.

(5) The Provincial Director, Local Fund Audit of the Government shall pre-audit all the payments from the Local Fund of a local government other than the payments from the Local Fund of the Neighbourhood Council and Village Council and accounts of the devolved offices managed under the respective District Local Government Authority.

(6) The Chief Officer shall pre-audit all the payments from the Local Fund of the Neighbourhood Council and Village Council.

(7) The Accountant General and the District Accounts Officer shall pre-audit all the payments from the Local Funds of the devolved offices managed under the respective District Local Government Authority.

(8) A local government shall not withdraw or disburse money from the Local Fund unless it is pre-audited in the prescribed manner.

(9) The Provincial Director, Local Fund Audit and the Accountant General shall, by fifteenth day of July, prepare an annual statement of receipts and expenditures of the accounts of local governments, for the preceding financial year, and shall transmit the statement to the Government and the concerned local government.

(10) A copy of the annual statement of accounts shall be displayed at a conspicuous place in the office of the local government for public inspection, and all objections or suggestions concerning such accounts received from the public shall be considered by the local government and appropriate decision shall be taken.

**81. Audit.**— (1) The Auditor-General of Pakistan shall, on the basis of such audit as he may consider appropriate or necessary, certify the accounts of a local government for each financial year.

(2) The Auditor-General shall audit the accounts of a local government in such form and manner as may be deemed appropriate.

(3) The audit report of the Auditor-General shall be considered by the Public Accounts Committee of the Provincial Assembly of the Punjab.

(4) If in the opinion of the Government, it is necessary in public interest to have a special audit of a local government, it may direct that such audit may be

conducted either by the Provincial Director Local Fund Audit or any other audit agency.

(5) After the receipt of special audit report of a local government, the Chief Minister may, after enquiry by the Punjab Local Government Commission, take appropriate action on the recommendations of the Commission.

**82. Local government debt.**— (1) A local government shall not incur any debt without previous approval of the Government.

(2) A local government may invest surplus funds, if any, in such securities and financial institutions, as may be approved by the Government.

### **Chapter - XVIII** **Punjab Local Government Finance Commission**

**83. Local Government Finance Commission.**— (1) The Government shall constitute the Punjab Local Government Finance Commission to perform such functions under this Ordinance.

(2) The Finance Commission shall comprise of members including the Chairperson as under:

- (a) Minister in charge of Finance Department of the Government, who shall also be the Chairperson of the Finance Commission;
- (b) Minister in charge of the Department, who shall be the co-Chairperson of the Finance Commission;
- (c) four members of the Provincial Assembly of the Punjab, out of whom two shall be appointed by the leader of the house and the other two by the leader of the opposition in the Assembly;
- (d) Secretary to the Government, Finance Department, who shall also be the Secretary of the Finance Commission;
- (e) Secretary of the Department;
- (f) Secretary to the Government, Planning and Development Department;
- (g) four experts including one woman, on local governments and local government finance appointed in terms of section 86 of this Ordinance; and
- (h) four Heads of the local governments to be nominated by the Chief Minister.

(3) In case of absence of the chairperson for any reason, the co-chairperson shall chair the Finance Commission and in case he is also absent, the present members shall elect one of them to chair the Finance Commission for the duration of his absence.

(4) The Finance Commission may co-opt any other person for advice in relation to a particular matter under its consideration; however, the co-opted member shall have no right of vote.



(5) No proceedings or act of the Finance Commission shall be invalid merely on ground of existence of a vacancy or defect in composition of the Finance Commission.

(6) The members of the Finance Commission shall be paid such remuneration and other allowances as the Government may determine from time to time.

(7) The remuneration and other allowances of a member of the Finance Commission shall not be varied to his disadvantage during his term in office.

**84. Term of office and premature removal of certain members.**— (1) The Ministers and Secretaries referred to in section 83 of this Ordinance shall be ex-officio members of the Finance Commission.

(2) A Head of the local government referred to in section 83 of this Ordinance shall hold the office of member of Finance Commission for two years from the date of assumption of office.

(3) An expert member referred to in section 83 of this Ordinance shall hold office for four years from the date of assumption of office.

(4) The Chief Minister may, after due notice and inquiry in the prescribed manner, remove any member of the Finance Commission, not being the member referred to in subsection (1), during the tenure of his office on ground of inefficiency, misconduct, misuse of office or inability to perform functions on account of bad health or physical or mental incapacity.

(5) Any member of the Finance Commission, not being the member referred to in subsection (1), may resign from his office by writing under his hand to the Chairperson of the Commission.

**85. Casual vacancies.**— (1) Where the position of a member, not being the Minister or a Secretary to the Government, becomes vacant on account of his resignation, removal, death or for any other cause, the Government shall appoint a person to fill this vacancy in the same manner as was applicable for the selection of that member.

(2) A person appointed under subsection (1) shall hold office for the remainder of the term of office of the member to whom he replaces.

**86. Eligibility for appointment as an expert member.**— (1) A person shall be eligible for appointment as an expert member under section 83 of this Ordinance if:

- (a) he has at least sixteen years education in a discipline related to the functions of the Finance Commission, possesses adequate knowledge of economics, public finance, accounts, or working of the local governments in general with at least fifteen-year experience in the aforesaid or any other related affairs;
- (b) he is, for the time being, qualified to be a candidate for an election under this Ordinance;
- (c) he is not in the service of Pakistan or any office or body which is set up, or owned or controlled by the Government, or a local government in the Punjab, or in which the Government or a local

government has a controlling share or interest or otherwise holds any office of profit in the Government;

(2) Subject to the provisions of subsection (4), a person who has previously remained as an expert member shall be eligible for re-appointment as a member of the Finance Commission.

(3) No Head of the local government shall be eligible for appointment as a member of the Finance Commission if he has previously remained its member as a Head of the local government during the preceding four calendar years.

(4) An expert member or a Head of the local government who has previously been removed from the office of a member of the Finance Commission under subsection (4) of section 84 of this Ordinance shall not be eligible for appointment as a member of the Finance Commission subsequently.

**87. Oath of office of members of Finance Commission.**— Before entering upon office, every member of the Finance Commission shall make an oath in the form set out in the Fourth Schedule before Governor of the Punjab.

**88. General functions of the Finance Commission.**— (1) In addition to any other work assigned to it under this Ordinance or any other law for the time being in force, the Finance Commission shall:

- (a) establish formulae for determining the size of provincial allocable amount and the share of local governments from this amount;
- (b) oversee and report upon the transfer of share of local governments from the provincial allocable amount in accordance with the formulae referred to in clause (a);
- (c) advise the Government or a local government on matters relating to fiscal transfers to and fiscal performance of local governments;
- (d) advise the Government or a local government on specific matters, objections or claims in relation to fiscal transfers;
- (e) support local governments in effecting improvements in their fiscal capacity and performance, better budget management and increased adherence to financial and procurement laws;
- (f) fix an enhanced incidence of a local tax, fee, rate, toll, rent or other charge of a local government if it is under fiscal distress;
- (g) recommend the schedule, nature and structure of independent audits of the local governments;
- (h) monitor fiscal health of local governments on an annual basis in particular their fiscal effort and performance; their ability to meet budgetary and development targets, their debt management and to make a determination of fiscal distress defined in terms of the ability of a local government to balance their budgets by ensuring that the sum of estimated net revenues and appropriated fund balances are sufficient to cover appropriations

and other liabilities including pension and general provident fund liabilities;

- (i) during the first month of each financial year, present to the Government and all local governments in the Punjab a report on fiscal performance of local governments during the previous financial year which shall, among other things, include an analysis of the matters referred to in this subsection and fiscal transfers made to the local governments and own resources raised by them and their performance in meeting budgetary and performance objectives.

(2) The report referred to in clause (h) of subsection (1) shall be laid before the Provincial Assembly.

(3) The Finance Commission shall not be subject to or take cognizance of the directions of any person as to the manner in which it shall discharge its duties.

(4) The Secretary shall, during the exercise of its powers under this Ordinance, shall have regards to the recommendations, reports and advice of the Finance Commission in relation to the matters mentioned under subsection (1).

**Explanation:** For the purpose of this section, the term fiscal stress shall mean the condition under which a local government is unable to generate sufficient receipts within the period under question to meet its expenditure and other liabilities.

**89. Right of local governments to refer objections to Finance Commission.–**

(1) Where a local government has any objection on the sums to be transferred or likely to be transferred to it or to any other local government from provincial allocable amount under this Ordinance, that local government may make a reference to the Finance Commission.

(2) Every reference under subsection (1) shall be made in writing and contain grounds of objection.

(3) The Finance Commission shall, after due notice and inquiry, decide every reference made to it under this section in not more than sixty days.

**90. Procedure of Finance Commission.–** (1) The Finance Commission shall, subject to this Ordinance and the rules, regulate its own procedure.

(2) All decisions of the Finance Commission shall be made through a simple majority of votes of the members present and voting on one member one vote basis.

(3) The quorum necessary for transaction of business at an ordinary or special meeting of the Finance Commission shall be one-half of the members holding office at the time out of whom not less than two shall be the expert members.

(4) All meetings of the Finance Commission shall be public unless the members present, by a simple majority vote, decide to exclude public from the whole or part of the proceedings on the ground that public information of the proceedings of its meeting shall be prejudicial to public interest by reason of the confidential nature of business to be transacted at that meeting or for such other special reasons as may arise from the nature of business to be transacted or the proceedings at the meeting.

(5) The Finance Commission shall exercise the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908 (V of 1908) with regards to summoning and enforcing the attendance of any person and compelling the production of documents and records for the purposes of this Ordinance.

**91. Duty of local governments and other public entities etc. to cooperate with Finance Commission.**— (1) The Finance Commission may require the Government, a local government, an agency owned or managed by the Government or a local government, or any other person or authority in the Punjab to render assistance to it or to provide all information which it reasonably requires for the purposes of this Ordinance.

(2) It shall be the duty of the Government and all such local governments, public entities, or other persons and authorities to render assistance or to provide information as is required by the Finance Commission under subsection (1).

**92. Secretariat of the Finance Commission.**— (1) The Finance Commission shall have a secretariat comprising such number of officers and staff as the Government may from time to time determine

(2) There shall be a separate budget for the Finance Commission in the annual budget of the Punjab.

(3) The secretariat of the Finance Commission shall be headed by the Secretary to the Government, Finance Department who shall also be the Principal Accounting Officer of the Finance Commission.

## **Chapter - XIX Local Government Properties**

**93. Local government properties.**— (1) Subject to any conditions imposed by the Government, all properties whether movable or immovable specified hereunder, and all interests of whatsoever nature or kind therein, shall vest in a local government:

- (a) all lands, buildings or other properties which were vested in any defunct local government of which the local government is the successor under section 4 of this Ordinance;
- (b) all lands or other properties transferred to the local government or acquired by gift, purchase or otherwise for the purposes of this Ordinance;
- (c) all public and other buildings of every description and all works, materials and things appertaining thereto which are maintained by the local government in relation to its functions under this Ordinance;
- (d) all lands, open spaces, play grounds, gardens, parks and other places of public resort transferred to the local government with the title, by gift, purchase or otherwise for the purposes of this Ordinance;
- (e) all public streets, roads, bridges and other means of public communication which are transferred to the local government and the pavements, stone and other material thereof and trees

growing on, and erections, materials, implements and things provided with them;

- (f) all public sewers and drains except those owned and maintained under the Canal and Drainage Act, 1873 (VIII of 1873) or any other law on the subject of the Act *ibid*, and all sewers, culverts and other channels for sullage in or under any public street, or constructed by or for the local government in the respective local area and all works, materials and things appertaining thereto;
- (g) all works for the disposal of refuse and night soil maintained by the local government;
- (h) all public lamps, lamp posts and other appliances for street lighting maintained by the local government;
- (i) all public streams, springs and works for supply, storage and distribution of drinking water for public purposes maintained by the local government and all buildings, machines, materials and things or land, not being privately owned land, appertaining thereto;
- (j) all trees, plants and flowers on roadsides and other places maintained by the local government; and
- (k) any other property which may vest in the local government under any law for the time being in force or under an order of the Government.

(2) Every local government shall maintain a register of all properties along with a map of all immovable properties of which it is the proprietor or which vests in it or which it holds in trust for the Government or any other authority or person.

**Explanation:** For the purpose of this section, a building map shall include any location maps as well as a map indicating the layout of the building.

(3) The Government shall not, except with the prior consent of the local government concerned, reallocate or in any other manner divest title of properties vested in that local government under this Ordinance.

**94. Use and disposal of properties of local governments.**– (1) The properties of local governments shall be used only for public purposes.

(2) The Immovable properties of local governments shall not be sold or permanently alienated without prior approval of the Government:

provided that such properties may be given on lease through competitive bidding by public auction:

provided further that the Government may constitute a Committee headed by the Head of the local government to identify encroached or redundant properties that may be sold in the prescribed manner with the approval of the Government, and the funds generated from the sale of such properties shall be kept in a separate head of account and be used only for development purposes.

(3) Where a lease of immovable property of a local government under a valid lease agreement has expired or is close to expire and it does not contain any condition for extension of lease period, the period of lease may be extended upto ten

years after fresh assessment by District Rent Assessment Committee (DRAC) on a rate not below the rate assessed by DRAC with an annual increase of ten percent.

(4) Where no written lease agreement is available but the occupant of immoveable property have been paying rent to the local government for at least last five years, the local government may enter into written agreement with the occupant for a period of ten years after fresh assessment by District Rent Assessment Committee (DRAC) on a rate not below the rate assessed by DRAC with an annual increase of ten percent.

(5) In case of failure to enter into written agreement under subsection (3) or (4), the local government shall, within one month, take over the possession of the immoveable property and shall proceed in accordance with subsection (2).

(6) The movable property of a local government which is required to be disposed of, shall be sold through competitive bidding by public auction.

(7) All articles declared unserviceable shall be disposed of through competitive bidding by public auction.

(8) A local government shall inspect, manage, maintain and whenever so required develop or improve any property which is owned by or vested in it or which is otherwise placed under its charge.

**95. Acquisition of immovable property.**— Whenever any local government considers it necessary or expedient, it may acquire or purchase any immovable property for public purposes, with the prior permission of the Government:

Provided that in case of purchase of property, the agreement of purchase shall be in writing:

Provided further that the development authorities entrusted to local governments, may acquire land for development purposes and may sell or dispose of thereafter in accordance with the existing laws and the rules made thereunder.

**96. Loss of property of local government.**— In case of any loss of property of the local government, the responsibility for such loss shall be fixed by the concerned local government and the amount of the loss shall be recovered from the defaulting person and a report to this effect shall forthwith be submitted to the concerned Council in the meeting next following.

**97. Annual stock of local government properties.**— Every local government shall, in the prescribed manner, at least once in every financial year, take the physical stock of movable and immovable properties of the concerned local government, submit a report to the concerned Council and shall publish the same.

**98. Insurance of certain local government properties.**— A local government may, subject to the rules and any other relevant law for the time being in force, insure any property, whether moveable or immoveable in which it has an insurable interest, against any contingency which may result in the imposition of any liability or loss to the local government.

## **Chapter – XX**

### **Local Government Taxes, Fees, Rates and Tolls**

**99. Authority of a local government to levy taxes etc.**– (1) A local government may, through a notification published in the official Gazette, levy all or any of the taxes, fees, rates, tolls, rent and other charges given in the Fifth Schedule.

(2) For the purpose of subsection (1), every local government shall, among other things, abide by the directions of the Finance Commission.

(3) Every resident shall, where applicable, pay toll, tax, fee, rates or other charges imposed by the local government, allow officers and servants of the local government reasonable access to his property in relation to the performance of their duties, and comply with bye-laws and instructions of the local government applicable to him.

**100. Procedure for imposition, revision or abolishment of a local tax etc.**– (1) A Head of the local government may make proposal with respect to:

- (a) levy of a new tax, fee, rate, rent, toll or other charges under this Ordinance; or
- (b) increase or reduction in the incidence of a tax, fee, rate, rent, toll or other charge or otherwise revision of a tax, fee, toll or other charges which is for the time being in force under this Ordinance; or
- (c) suspension or abolishment of a tax, fee, rate, rent, toll or other charges which is for the time being in force under this Ordinance; or
- (d) exemption of any person or class of persons, or property or goods or class of property or goods, or services or other things from the levy of a tax, fee, rate, rent, toll or other charges which is for the time being in force under this Ordinance.

(2) Every proposal for levy of a new tax, fee, rate, rent, toll or other charges under subsection (1) shall, among other things, mention:

- (a) the class of persons, or description of property or goods, or services or other things on which the proposed tax, fee, rate, rent, toll or other charges shall apply;
- (b) the method of assessment of the proposed tax, fee, rate, rent, toll or other charges;
- (c) the incidence at which the tax, fee, rate, rent, toll or other charge is to be levied.

(3) As soon as may be after making of a proposal under subsection (1), the Head of the local government shall, through a public notice, invite suggestions and objections on the proposal mentioning therein, among other things, the date and time by which the suggestions and objections shall be submitted.

(4) The last date of submission of objections under subsection (3) above shall be fixed in such manner as to allow not less than thirty clear days commencing from the date of publication of the notice.

(5) Any resident of the relevant local area or a person affected by the proposal referred to in subsection (1), may submit his suggestions or objections or

both in writing to the Chief Officer by the date and time appointed under subsection (3).

(6) After having considered all suggestions and, as the case may be, objections received under subsection (5), the Head of the local government may:

- (a) accept suggestions and objections inasmuch as he deems appropriate and present a revised proposal before the Council in a public meeting; or
- (b) reject the suggestions and objections and present his original proposal before the Council in a public meeting.

(7) The Council may with a simple majority of vote of all Councillors for the time being holding office:

- (a) revise or further revise the proposal in such manner as the Council considers appropriate; or
- (b) having regards to other provisions of this Ordinance, approve the proposal;

(8) Where in view of the Head of the local government, the revision or further revision of the proposal under clause (a) of subsection (7) is not in accordance with the provisions of this Ordinance or is otherwise inappropriate, he may, present the proposal, with or without any further revision, before the Council again.

(9) The Council may, at a public meeting:

- (a) approve the proposal presented before it with simple majority of votes of all Councillors holding office; or
- (b) revise or reject it with a two-third majority of votes of all Councillors holding office.

(10) Without prejudice to other provisions of this section, a proposal presented by a Head of the local government under subsection (8) which is not rejected or revised by the Council with two-third majority, shall be deemed to have been approved.

**101. Date on which local taxes etc. become effective.—** Where a proposal for the levy of a tax, fee, rate, rent, toll or other charge or for the suspension or abolishment; or increase or decrease in the incidence or otherwise revision of a tax, fee, rate, rent, toll or other charge which is for the time being in force is approved under section 100 of this Ordinance, the Council or, as the case may be, the Head of the local government shall specify in the official Gazette referred in that section, a date for the enforcement of the proposal, and such tax, fee, rate, rent, toll or other charge, or the suspension or abolishment or increase or decrease of the incidence or any other revision shall take effect from that date.

**102. Rating areas and property tax.—** (1) On commencement of this Ordinance, a rating area in which tax has been imposed or saved under the Punjab Local Government Act, 2019 (XIII of 2019) shall continue to be the rating area within the meaning of the Punjab Immovable Property Tax Act, 1958 (V of 1958) and under this Ordinance until revised.



(2) Notwithstanding anything contained in Act V of 1958, a local government to which urban immovable property tax relates to, may determine the rate of this tax in accordance with section 100 of this Ordinance.

(3) If no determination under subsection (2) is made, the rate of urban immovable property tax shall be determined under Act V of 1958.

**103. Power of the Finance Commission in case of unfair local taxes etc.–** (1) If at any time, on a representation made to it for this purpose or otherwise, it appears to the Finance Commission that the incidence of a tax, fee, rate, rent, toll or other charge imposed under this Ordinance is unfair or excessive or that levy of a tax, fee, rate, rent, toll, rent or other charges or of any part thereof is injurious to the interests of the general public, the Finance Commission may through an order require the concerned local government to take, within a prescribed period, measures to remove the objection.

(2) If a local government fails to comply with the order of the Finance Commission under subsection (1) to their satisfaction within the prescribed period, the Secretary may suspend the levy of the objectionable tax, fee, rate, rent, toll or other charge or of such part thereof until the objection is removed.

(3) Any resident of the relevant local area or a person or entity affected by the imposition or levy of a tax, fee, rate, rent, toll or other charges may make a representation to the Finance Commission under subsection (1).

**104. Duty to furnish information on liability to local tax etc.–** Every resident of the relevant local area and every other person subject to any tax, fee, rate, rent, toll or other charges imposed under this Ordinance, shall on demand of the Chief Officer or an officer authorized by him in this behalf, furnish such information, produce such record or accounts, or present such goods, vehicles, animals or other things which are liable to the tax, fee, rate, rent, toll, or other charges, as may be necessary for the purpose of determining their liability to pay the tax, fee, rate, rent, toll, or other charges as the case may be or the assessment thereof.

**105. Power of entry for valuation of local taxes etc.–** The Chief Officer or an officer authorized by him in this behalf, may after giving due notice to the occupier, or, if there is no occupier, to the owner of a building or premises, at any time between sunrise and sunset, enter upon any building or premises to assess the liability of that building or premises to any tax or inspecting any goods, vehicles, animals or other things therein liable to any tax, fee, rate, rent, toll or other charges under this Ordinance.

**106. Presentation of bill for local taxes and rates etc.–** (1) When any sums become due for payment on account of any tax, fee, rate, rent, toll or other charges under this Ordinance, the Chief Officer or any other officer authorized by him shall cause to be presented to any person liable for payment thereof a bill for the sum claimed as due.

(2) Every such bill shall specify the period for which and the property, occupation, services or things in respect of which the sum is claimed and shall also give notice of the time by which the sums shall be paid and liability incurred in default of payment and the time within which an objection may be preferred against such claim under this Ordinance.

**107. Notice of demand to be issued on non-payment of bill.**— (1) If the sum for which a bill has been presented under section 106 of this Ordinance is not paid within the time specified therein, the Chief Officer or any other officer authorized by him may cause to be served upon the person to whom such bill has been presented a notice of demand in the prescribed form.

(2) For every such notice of demand, a fee of such amount not exceeding fifteen per centum of the sums due shall be payable by the said person, and the said amount shall be included in the cost of recovery.

**108. Payment of local tax etc. and consequences of default.**— (1) A person upon whom a bill or notice of demand has been served under section 106 or 107 of this Ordinance, may:

- (a) pay the sum demanded in the bill or notice of demand to the local government concerned as directed in the bill or notice; or
- (b) within fifteen days from the service of such bill or notice of demand make an objection in writing to the Chief Officer and show cause to his satisfaction as to why he should not pay the sum indicated in the notice; or
- (c) prefer an appeal in accordance with the provisions of section 110 of this Ordinance against the determination of a Chief Officer under clause (b) above.

(2) Where such person does not pay the sum demanded, or show cause or prefer an appeal under subsection (1), the Chief Officer may refer a case for the recovery of such sums as an arrear of land revenue to the respective Collector.

(3) Every person liable to pay tax, fee, rates, rents or other charges imposed by the local government shall be personally liable to pay such tax and fee etc. directly to the local government or its authorized person as per the determined amount.

Provided that any person liable to pay tax, fee etc. shall not enter into a contract with a third party for any lesser fixed fee arrangement, which shall be strictly prohibited and any contravention thereof shall be an offence under this Ordinance.

**109. Investigation of objections by Chief Officer.**— (1) The Chief Officer shall cause all objections made before him under section 108 of this Ordinance to be entered in a register to be maintained for this purpose and shall give a notice in writing to the objector of a time and place at which his objection shall be investigated.

(2) At the time and place fixed under subsection (1), the Chief Officer or any other officer authorized by him for this purpose, shall hear the objection, in the presence of the objector or his authorized agent if he appears or may, for reasonable cause, adjourn the investigation.

(3) When the objection has been determined, the order passed on such objection shall be recorded in the register mentioned in subsection (1) and if necessary, the bill or demand notice shall be amended or withdrawn in accordance with the result of investigation.

(4) The Chief Officer shall cause to be immediately delivered to the objector, free of any charge, a certified copy of the order made by him under subsection (3).

**110. Appeal against the determination of Chief Officer.**— (1) A person aggrieved with the determination of a Chief Officer under section 109 of this Ordinance, may, within thirty days of the receipt of such order, file an appeal before the respective Collector.

(2) No appeal shall be heard or determined by the Collector unless it is made in writing and is accompanied by an order of the Chief Officer appealed against.

(3) It shall be the duty of every local government to give effect to the decisions of the Collector in relation to an appeal made under this section.

(4) The Collector shall, in respect of this section, have the powers of a civil court under the Code of Civil Procedure, 1908 (V of 1908) and shall be deemed to be a Court within the meaning of sections 480 and 482 of the Code of Criminal Procedure, 1898 (V of 1898).

**111. Liability for local tax etc. to be called in question only under this Ordinance.**— No assessment of a tax, fee, rate, rent, toll or other charges under this Ordinance or the liability of a person for such tax, fee, rate, rent or toll shall be called in question except in accordance with the provisions of this Ordinance.

**112. Payments to be made in authorized banks against receipts.**— (1) All sums on account of a tax, fee, rate, rent and any other charges under this Ordinance shall be paid to the local government through an authorized bank unless permission for any other method of payment is obtained from the Government.

(2) For all sums paid to a local government on account of any tax, fee, rate, rent, toll or other charge under this Ordinance, a receipt, stating among other things the amount and the tax, fee, rate, toll or other charges on account of which it has been paid, shall be tendered by the person receiving such payment on behalf of the local government.

**113. Writing off of irrecoverable taxes etc.**— (1) At the close of each financial year, every Chief Officer shall prepare a statement of all such sums due to the respective local government on account of any tax, fee, rate, toll or other charges which, in his opinion, are irrecoverable.

(2) The Chief Officer shall present the statement prepared under subsection (1) to the Council and after due consideration, the Council may order that such sums or any part thereof shall be struck off the relevant books kept under section 115 of this Ordinance.

(3) The Chief Officer shall cause an authenticated copy of the statement prepared under subsection (1) along with an authenticated copy of the statement of struck off dues to be displayed at a conspicuous place in the office of the local government for public inspection and shall, on application of any person, also cause to be furnished to him a copy thereof or any extract thereof on payment of such reasonable fee as may, from time to time, be fixed by the Council.

**114. Tax etc. not to become invalid for a defect in form.**– (1) No assessment of value, or charge or demand of any tax, fee, rate, rent, toll or other levy made under this Ordinance, shall be called in question or in any way be effected by reason of:-

- (a) any mistake in the name, residence, place of business or occupation of any person liable to pay such tax, fee, rate, rent, toll or other charges; or
- (b) any mistake in the description of any property, service or thing liable to such tax, fee, rate, toll or other charges; or
- (c) any mistake in the amount of assessment of such tax, fee, rate, rent, toll or other charges; or
- (d) any clerical error; or
- (e) any other defect of form.

(2) It shall suffice for any assessment of value, or levy or demand of a tax, fee, rate, rent, toll or other charges that the person, property, service or any other thing subject thereof is so described as to be sufficiently identifiable.

**115. Records pertaining to valuation, assessment and collection of local tax etc.**– (1) Every Chief Officer shall prepare and maintain records pertaining to valuation, assessment and collection of all taxes, fees, rates, rents, tolls and other charges levied by the local government in the prescribed manner.

(2) All records prepared and maintained by the Chief Officer under subsection (1) above shall be authenticated by the respective Head of the local government.

(3) The Chief Officer shall cause to be displayed at a conspicuous place in the office of the local government a copy of all records authenticated under subsection (2) above for public inspection and shall, on an application by any person, also cause to be furnished to him a copy thereof or any extract thereof on payment of such reasonable fee as may, from time to time, be fixed by the Council.

**116. Appointment of an agency or officer for collection of local tax.**– (1) In the interest of economy, efficiency and effectiveness, the Chief Minister may by a notification in the official Gazette, direct that an agency or an officer of the Government engaged in collection of its tax, fee, rate, rent, toll, or other charges shall also collect one or more taxes, fees, rates, tolls, rents or other charges on the behalf of one or more local governments or constitute a separate agency for this purpose and provisions relating to the authority of the Chief Officer in relation to collection of local tax, fee, rate, rent, toll or other charges under this Ordinance shall *mutatis mutandis* apply on that agency or officer.

(2) The Agency or officer referred to in subsection (1) shall, to the extent of collection of a local tax, fee, rate, rent, toll or other charge be responsible to the respective local government.

## **Chapter - XXI** **Inter-governmental Fiscal Transfers**

**117. Provincial allocable amount and transfers to the local governments.**– (1) Before the commencement of each financial year, the Government shall set aside a

portion of moneys likely to be received in the consolidated fund during that financial year to be called the provincial allocable amount.

(2) The provincial allocable amount shall be transferred to local governments, in accordance with the provisions of section 118 of this Ordinance.

**118. Process for determination of provincial allocable amount and share of individual local governments.**— (1) As soon as may be, but not later than six months of the commencement of this Ordinance and at least six months prior to the commencement of every fourth financial year thereafter, the Finance Commission shall make recommendation to the Government for establishing formulae for determining:

- (a) the size of provincial allocable amount in accordance with the principles set out at section 121 of this Ordinance; and
- (b) the share of individual local governments from the provincial allocable amount in accordance with the principles set out in section 122 of this Ordinance.

(2) Not less than two months before the commencement of each financial year, the Finance Commission shall make recommendation to the Government in respect of:

- (a) the value of provincial allocable amount for that financial year as per formula determined under clause (a) of subsection (1); and
- (b) the moneys to be transferred to each local government in the Punjab as per formula determined under clause (b) of subsection (1).

(3) The Government shall, within twenty-one days of the receipt of a recommendation under subsection (1) or subsection (2) may:

- (a) accept it; or
- (b) refer it back to the Finance Commission if it considers that it is not in accordance with this Ordinance or suffers from a factual error.

(4) The Finance Commission shall, within fifteen days of the receipt of a reference under clause (b) of subsection (3), consider the views of the Government and resubmit its recommendation with or without any amendment.

(5) As soon as may be after accepting a recommendation under clause (a) of subsection (3) or resubmission of a recommendation under subsection (4), the Government shall, having regards to the merits of the recommendation and the provisions of this Ordinance, approve the aforesaid formulae with or without any amendment and where required also allocate provincial allocable amount and the share of individual local governments from the provincial allocable amount.

(6) The formulae, provincial allocable amount and the shares of individual local governments from the provincial allocable amount approved by the Government and the related recommendation of the Finance Commission shall be tabled in the Provincial Assembly as part of the Finance Bill for the relevant financial year.

**119. Duty of Finance Commission to consider views of Government and local governments.**— In preparing a recommendation for the Government under section 118 of this Ordinance, the Finance Commission may inform itself in the way it considers appropriate and shall also receive, consider and decide any submission made to it by the Secretary or a local government in this respect.

**120. Term of formulae on share of local governments and their revision.**— (1) After their approval by the Government, formulae referred to in section 118 of this Ordinance shall remain in force for the following four financial years.

(2) The Finance Commission shall, at least six months prior to the expiry of enforcement period of a formula referred to in subsection (1), make recommendation to the Government for establishing a fresh formula.

(3) In case the recommendation of the Finance Commission under subsection (2) is not approved by the Government before the expiry of aforesaid enforcement period, the last approved formula shall continue to remain in force till such time that a new formula is approved.

**121. Determination of provincial allocable amount.**— (1). The provincial allocable amount shall constitute not less than twenty-six per-centum of the general revenue receipts of the Province in the relevant financial year for the first two financial years following the commencement of this Ordinance and thereafter constitute not less than twenty-eight per centum of the general revenue receipt of the Province in the relevant financial year

(2) The grant in lieu of Octroi and Zilla Tax being received by local governments at the commencement of this Ordinance shall be included in the provincial allocable amount to meet the minimum threshold fixed at subsection (1).

(3) Where, after the commencement of this Ordinance, the Government withdraws any local tax, fee, rate, rent, toll or any other charge of a local government in lieu of an equivalent grant, such grant shall not be included in the provincial allocable amount but shall be transferred to the local governments by the Finance Commission in accordance with the principles set out in section 122 of this Ordinance.

(4) The final value of the provincial allocable amount shall be worked out on the basis of actual receipts of the Province during a given financial year and any adjustments shall be made accordingly in that or the following financial year.

**122. Principles for determining transfers to individual local governments and related grants.**— (1) In so far as possible, the share of a local government in the provincial allocable amount shall be worked out having regard to the following:

- (a) fiscal needs of the local government that is moneys required by it to maintain minimum service standards in relation to the functions assigned to it under this Ordinance;
- (b) equalization payments that are the moneys transferred to the local government to compensate for comparative poverty and backwardness of the local area;

- (c) fiscal capacity that is the potential of the local government to raise local taxes, toll, fees, rates and other charges under this Ordinance;
  - (d) fiscal effort that is the local government is compensated for collecting higher local taxes, toll, fees, rates, rents and other charges as against the potential to raise them;
  - (e) better expenditure management that is the local government is compensated for adherence to financial and procurement rules, bringing innovations and transparency in its working and achieving higher value for money; and
  - (f) quality of public services that is the local government is compensated for maintaining higher quality of public services.
- (2) Based on the above, provincial allocable amount shall be transferred to the local governments through any one or more of the following means, namely:
- (a) General purpose transfers worked out on the basis of principle given at clause (a), (b) and (c) of subsection (1); and
  - (b) Performance grants worked out on the basis of principles given in clause (d), (e) and (f) of subsection (1).

**PART - 5**  
**COMMUNITY EMPOWERMENT AND MOBILIZATION**  
**Chapter - XXII**  
**Community Mobilization through Community Council and Panchayat**

**123. Community Council and Panchayat.**– (1) A Neighbourhood Council may, within three months of assumption of its office shall, constitute Community Councils for its local area, in the prescribed manner.

(2) A Village Council may, within three months of assumption of its office shall, constitute Panchayats for its local area, in the prescribed manner.

(3) A Community Council or a Panchayat shall consist of a panel of not more than five members, including at least two women, to be nominated by the concerned Neighbourhood Council or the Village Council as the case may be, from amongst residents of its local area.

Provided that no elected official of a local government shall be appointed as a member of the Community Council or Panchayat.

(4) In case a neighborhood Council or a Village Council fails to constitute their respective Community Councils or Panchayats respectively or nominate its members, the Head of local government in whose local area, such neighborhood Council or the Village Council as the case may be, is situated shall, constitute the same and also nominate the members.

(5) The members of Community Council or Panchayat shall be nominated for two years and they shall complete their term notwithstanding dissolution of local governments.

(6) Any casual vacancy in the panel of members of the Community Council or Panchayat shall be filled, as soon as may be, but not later than thirty days from the occurrence of the vacancy.

(7) Where in the opinion of the nominating local government, a member of Community Council or Panchayat is accused of consistent partiality and malpractices in the performance of his functions, the respective neighborhood Council or Village Council may, subject to an opportunity of hearing, remove such member and nominate another member in his place to complete the residual term of such removed member.

**124. General functions of Community Council or Panchayat.**– (1) The general functions of the Community Council or Panchayat shall be to-

- (a) prevent and abate nuisances in public ways, public streets and public places;
- (b) mobilize voluntary resources, including physical labour and manpower, property and cash contributions for municipal and welfare activities in the local area including provision of education and arrangement of marriages of deserving poor and needy residents;
- (c) facilitate the formation of co-operatives for improving economic returns and reduction of interstitial poverty and consumer protection;
- (d) report cases of handicapped, destitute, and of extreme poverty to the respective local government and raise funds on self-help basis for their welfare;
- (e) mobilise the community involvement in maintenance of public streets, play grounds, parks, culverts and public buildings, desilting of canals and watercourses;
- (f) promote plantation of trees, landscaping and beautification of the Village and Neighbourhood;
- (g) reporting attendance and absence of government officials;
- (h) organise watch and ward in the area through unarmed Village or Neighbourhood guards;
- (i) reporting price control violations and represent the interest of consumers;
- (j) reporting bonded and child labor and efforts for their rehabilitation;
- (k) reporting instances of domestic violence and crime against children and women;
- (l) reporting of crime;
- (m) reporting of loss, damage or threat to public property and infrastructure;
- (n) reporting of outbreak of diseases and fire etc;



- (o) reporting violations of laws committing or being apprehended in the vicinity / local area, to the concerned authorities;
- (p) assisting the Government and the local governments in public awareness campaigns
- (q) coordination with other adjoining Community Councils and Panchayats and
- (r) to perform any other function given by the local governments or the Government.

(2) The Community Council or Panchayat shall assist its respective Neighbourhood Council and Village Council in-

- (a) conducting surveys in the Village and Neighbourhood and collecting socio-economic data;
- (b) selecting sites for providing municipal facilities and services;
- (c) identifying encroachments;
- (d) managing burial places and cremation grounds of the Village;
- (e) managing and lighting of Village or Neighbourhood roads, streets, and paths; and
- (f) facilitate in collecting land revenue and other taxes.

(3) A Village Council or Neighbourhood Council may, subject to such terms and conditions as may be mutually agreed, entrust any of its functions to the Community Council or Panchayat:

provided that responsibility for discharge of such functions shall continue to vest with the Neighborhood Council or, as the case may be, the Village Council:

provided further that no function or responsibility shall be transferred without allocation of corresponding resources and funds.

**125. Amicable settlement of disputes.**– (1) A Community Council or Panchayat shall use their good offices to achieve the amicable settlement of disputes amongst the people in their respective local areas, in the prescribed manner.

(2) Any person may refer his civil, family or criminal dispute to the Community Council or Panchayat where the dispute has arisen within the territorial jurisdiction of the Community Council or Panchayat or where parties to the dispute are residing in such area or where the parties to the dispute have agreed to submit themselves to the jurisdiction of the Community Council or Panchayat.

(3) The Community Council or Panchayat shall make efforts for amicable settlement of the dispute between the parties and it shall record its findings through agreement between the parties.

(4) If, in the opinion of the Community Council or Panchayat, a party to the dispute has willfully obstructed settlement of such dispute, it may record its findings to that effect for further consideration of the competent forum.

(5) The Community Council or Panchayat shall not assume jurisdiction in a non-compoundable offence.

(6) Every settlement of a dispute by Community Council or Panchayat in a case pending before a court shall be subject to the approval of such court.

(7) The parties to the dispute may agree to add any other person as a member of Community Council or Panchayat for their dispute and such person shall be treated as a member of the Community Council or Panchayat in that case.

**126. Reference by Courts etc.**— (1) A court may refer a dispute to any Community Council or Panchayat functioning within its territorial jurisdiction for amicable settlement of the dispute.

(2) The court making a reference to the Community Council or Panchayat under subsection (1) may lay down the procedure for summoning the parties to the dispute, the terms of reference, the period during which settlement is to be made, the manner in which report of the settlement is to be submitted and such other matters as it may deem appropriate for resolution of the dispute.

(3) Where, on a reference made by the court under subsection (1), the dispute is settled between the parties, the court may make such settlement as a ruling of the court.

(4) The Community Council or Panchayat shall inform the court if the dispute is not settled within the time fixed by the court or may ask for extension in time for settlement of the dispute.

(5) An officer in charge of a police station may refer a compoundable case to a Community Council or Panchayat, for amicable settlement of dispute between the parties.

**127. Conflict of interest.**— (1) A member of a Community Council or Panchayat shall not take part in the proceedings of the Community Council or Panchayat relating to a dispute if he has any conflict of interest.

(2) If there is a conflict of interest of a member of the Community Council or Panchayat in a particular case, the Chairperson of the Neighborhood Council or Village Council may appoint any other eligible person as member of the Community Council or Panchayat for that case, in place of the member who has conflict of interest in the case.

**128. Procedure of settlement of disputes.**— (1) The Convener of the Community Council or Panchayat, selected in the prescribed manner, shall:

(a) convene meetings of the Community Council or Panchayat on such date and at such place in its local area, as may be necessary or appropriate; and

(b) conduct the proceedings informally for amicable settlement of disputes.

(2) A legal practitioner shall not be permitted to take part in the proceedings of a Community Council or Panchayat on behalf of any party.

## **CHAPTER - XXIII**

### **Community Based Organizations**

**129. Composition of Community Based Organizations.**— (1) In every local area, groups of non-elected citizens may, through voluntary, proactive and self-help initiatives, set up any number of Community Based Organizations, and such Community Based Organizations shall be set up for the purposes of, *inter alia*, energizing the community for development and improvement in service delivery, development and management of a new or existing public facility, identification of development and municipal needs, mobilization of stakeholders for community involvement in the improvement and maintenance of facilities, welfare of the handicapped, destitute, widows and families in extreme poverty, establishment of farming, marketing and consumers cooperatives; provided that grants shall be available subject to the provisions of section 78.

(2) Notwithstanding anything to the contrary contained in subsection (1), no person shall be eligible to set up a Community Based Organization or become its member or hold the office of the President or General Secretary of a Community Based Organization, if such person-

- (a) is a minor; or
- (b) is of unsound mind; or
- (c) has applied to be adjudicated as an insolvent and his application is pending; or
- (d) is an undischarged insolvent; or
- (e) is a defaulter under law and his name has been published as such.

(3) In carrying out its purposes, a Community Based Organization may interact with voluntary organizations for community welfare.

(4) A Community Based Organization shall be registered with the registration authority and shall carry on its functions and activities in such manner and subject to such rules as may be prescribed.

(5) A Community Based Organization shall have a general body of its members who shall elect a President, Executive Committee and a General Secretary of the Organization for carrying out its functions.

(6) The term of office of the President, Executive Committee and a General Secretary of a Community Based Organization shall be two years extendable through election for a similar term or terms by the general body.

(7) The liability of the Executive Committee of a Community Based Organization, its officers and members shall be as prescribed.

**130. Conduct of Business.**— (1) All business of the Community Based Organization shall be disposed of in its meetings which shall be presided over by the President.

(2) The Executive Committee of the Community Based Organization shall hold its meetings at least once in every three months.

(3) The quorum of the meetings of the Executive Committee of the Community Based Organizations shall be forty per centum of the total membership of the Executive Committee.

(4) The quorum of the meetings of the general body of the Community Based Organization shall be one fourth of its total membership.

(5) The General Secretary of the Community Based Organizations shall be responsible for recording the proceedings of the meetings and maintaining financial and accounting records.

(6) The General Secretary shall present the annual statement of accounts in the annual meeting of the Community Based Organization and after its approval the statement shall be submitted to the registration authority or, such other authority as may be prescribed, within thirty days or such other period specified in this behalf.

(7) The Community Based Organization may, in its general meeting, remove any office bearer or member by a resolution on account of unsatisfactory performance or misconduct.

(8) The President and General Secretary shall be responsible for safe custody and management of property and assets of the Community Based Organization.

(9) All funds of the Community Based Organization shall be kept in a bank or post office and all transactions shall be made through cheques.

(10) The accounts of the Community Based Organization shall be operated jointly by the President and the General Secretary.

(11) The accounts of the Community Based Organization shall be maintained by the Secretary.

**131. Raising of funds by Community Based Organization.**— (1) The Community Based Organizations may raise funds through voluntary contributions, gifts, donations, grants and endowments for its declared purposes without compromising the larger interest of the community.

(2) A Community Based Organization may also receive project-based cost-sharing support from any local government in accordance with the provisions of this Ordinance.

**132. Community Based Organization to be a non-profit organization.**— (1) The Community Based Organization shall be a non-profit organization and its income and assets shall be used solely for the attainment of its objectives.

(2) The properties and income of a Community Based Organization shall vest, and be held, in the name of its Executive Committee and shall sue and be sued in the name of its Executive Committee. No portion of its income shall be paid by way of salary, dividend, profit or bonus or otherwise be distributed to any of its members or contributors.

(3) If a Community Based Organization is not carrying on its functions and activities in accordance with this Ordinance, the registration authority may appoint an administrator, with such powers and functions as the registration authority deems appropriate for running its affairs, taking over its assets, dissolving it, holding fresh elections or for the disposal of any other matter.

(4) Where a local government has contributed towards creation of any assets or funds of a Community Based Organization, in case of dissolution or de-registration, its assets shall pass on to such local government and the assets shall

continue to be used for community welfare by the local government through any of its agencies or any other Community Based Organization designated by such local government in this behalf.

(5) The accounts of the Community Based Organization shall be subject to audit as may be prescribed.

## **PART 6 ACCOUNTABILITY, TRANSPARENCY, OVERSIGHT AND RESPONSIVENESS**

### **Chapter XXIV Internal Controls**

**133. Power of the Council to remove a Head of the local government, Deputy Mayor, Vice Chairperson and Speaker.**— (1) A Head of the local government, Deputy Mayor, a Vice Chairperson or a speaker shall, in the prescribed manner, stand removed from his office if the respective Council, through a resolution passed by two-third majority of the Councillors for the time being holding office, decide to remove him on the ground of misconduct under this Ordinance or if, in their opinion, his removal appears to have become necessary for effective performance of functions by the local government.

(2) Without prejudice to any other provision of this Ordinance, where a resolution for the removal of a Head of the local government, Deputy Mayor, Vice Chairman or a Speaker succeeds, he shall stand removed and the vacancy shall be filled in the manner provided under section 69 and 70 of this Ordinance.

**134. Certain limitations to apply in bringing a resolution for removal of a Head of local government and Speaker.**— No resolution for the removal of a Head of the local government, Deputy Mayor, Vice Chairman, or a Speaker shall be proposed or approved by the Council unless a period of twelve months has elapsed after the assumption of office by him or where a period of twelve months is remaining in completion of the term of the Council.

**135. Oversight through committees of the Council.**— (1) A Council may constitute such monitoring committees as it deems appropriate to oversee and report upon the performance of local government in its various functions and ancillary matters.

(2) Among other things, such committees shall report upon:

- (a) achievement of any targets set out by the Head of the local government or the Council;
- (b) degree of responsiveness of the local government to citizens needs; and
- (c) access to and quality of public services delivered by the local government.

(3) Upon consideration of report submitted by a committee, the Council may, through a resolution passed with simple majority of votes of Councillors present and voting, require the Head of the local government to take such action as it considers appropriate to effect improvement or remedy a defect or irregularity.

(4) During its work, a monitoring committee shall not intrude or interfere in or control the work of any officer of the local government.

(5) A member of the monitoring committee involved in violation of any provision of subsection (4) shall be removed from the monitoring committee by the respective Council.

**136. Internal inspections.**— (1) A Head of the local government may, through a written order, require the Chief Officer to conduct inspections to examine and report upon the performance of the local government either personally or through such other officer of the local government as the Head of the local government considers appropriate.

(2) Nothing in subsection (1) shall be construed to curtail the authority of the Head of the local government to inspect various offices and performance of the local government personally.

**137. Internal inquiries.**— The Head of the local government may, by an order in writing, require the Chief Officer to inquire into any matter concerning the local government either personally or through any other officer of the local government and submit a report along with the proceedings of the inquiry to him within such period as he may direct.

**138. Complaint Cell.**— Every local government shall set up a complaint cell for redressal of grievances within the ambit of their responsibilities under this Ordinance.

**139. Right to information.**— (1) Subject to such reasonable restrictions as may be prescribed, every resident may seek any information which is in the possession of the respective local government.

(2) It shall be the duty of the local government to provide full and correct information referred to in subsection (1) within fourteen days of receipt of every request.

(3) Such information, which the Secretary may from time to time direct, shall as far as possible, be displayed at a prominent place within the premises of the office of the local government for access by the citizens.

## **Chapter - XXV Transparency**

**140. General rules of conduct.**— (1) While performing any duty or exercising any power under this Ordinance, it shall be the duty of every elected official, Chief Officer, officer, and servant of the local government to:

- (a) act honestly, fairly and transparently;
- (b) exercise due care and diligence; and
- (c) not to make improper use of his office or information acquired by him because of his being in such office to gain or attempt to gain, directly or indirectly, an advantage for himself or for any other person; or cause or attempt to cause any detriment to a local government.

**141. Conflict of interest.**– (1) For the purpose of this Chapter, an elected official, Chief Officer, officer or servant of the local government or any other person shall be deemed to have a conflict of interest in respect of a contract, proposed contract or any other matter to be discussed or decided by that local government, Council or any of its committee or sub-committee, as the case may be, of which he is a member, if:

- (a) he or any of his immediate relatives, or his employer or employee in relation to that contract, proposed contract or any other matter:
  - (i) would receive or have a reasonable expectation of receiving, a direct or indirect pecuniary or some other benefit, share or interest; or
  - (ii) would suffer or have a reasonable expectation of suffering, a direct or indirect pecuniary or some other detriment; or
  - (iii) could be reasonably perceived as receiving a direct or indirect pecuniary or some other benefit, share or interest or suffering a direct or indirect pecuniary or some other detriment; or
- (b) he has professionally acted in relation to that contract, proposed contract or any other matter on behalf of any person having therein such share or interest as aforesaid; or
- (c) he is of the opinion or could be reasonably perceived to have such opinion that the nature of his interest in the contract, proposed contract or other matter is such that it may conflict with the proper performance of his public duties in respect of that contract, proposed contract or other matter.

(2) No person shall be deemed to have a conflict of interest in a contract, proposed contract or any other matter for the purposes of this section if his interest arises solely due to his being a voter, local resident or tax payer to the local government and is held in common with other voters, local residents and tax payers.

**142. Duty to abstain from proceedings in case of conflict of interest.**– (1) When any contract, proposed contract or any other matter is to be, or is likely to be considered or discussed at a meeting of a local government, Council or any of its committee or sub-committee, the elected official, officer or servant of that local government or any other relevant person, who has a conflict of interest in respect of such contract, proposed contract or any other matter shall:

- (a) if he is present at the meeting, forthwith disclose the nature of his conflict of interest and leave the meeting after notifying the Speaker or the person presiding the meeting or the chairperson of the committee or sub-committee, as the case may;
- (b) if he has a prior knowledge of the consideration or discussion as aforesaid, disclose the nature of his conflict of interest to the Speaker or the chairperson of the committee or sub-committee as the case may be and abstain from the meeting.

(2) A person who has a conflict of interest shall not preside over, take part in the proceedings or vote on any question with respect to the contract, proposed contract or any other matter in respect of which his conflict of interest exists.

**Explanation:** For the purpose of this section “gain” means and includes any form of enrichment, benefit or advantage whatsoever which may have accrued to or been acquired by or which may accrue to or be acquired by the person or his immediate relatives, or an employer or employee.

**143. Code of Conduct for elected officials and officers etc.**– (1) As soon as may be, but not later than six months of the commencement of this Ordinance, the Government shall prescribe a Code of Conduct for the elected officials, officers and servants of the local government.

(2) In addition to any other matter considered appropriate by the Government, the Code of Conduct shall address the following matters:

- (a) standards for ethical conduct;
- (b) procedures for resolution of disputes between the elected officials; and
- (c) procedure for dealing or interacting with Chief Officer, officers and servants of the local government and officers and servants of the Government.

(3) The Chief Officer shall cause a copy of the Code of Conduct to be made available to the public for inspection at the office of the local government during usual office hours.

**144. Misconduct.**– For the purpose of this Ordinance, an elected official, Chief Officer, any other officer or servant of the local government, or any other person shall be guilty of misconduct if he:

- (a) violates any provision of the Code of Conduct prescribed under this Ordinance;
- (b) derelicts from duty or shows gross negligence in performance of duties with manifest wrongful intent;
- (c) knowingly violates any provision of this Ordinance or lawful directions or orders of the Government;
- (d) involves in an act that results in wrongful gain to himself or to any other person;
- (e) exercises powers or authority vested in him under this Ordinance or any other law for the time being in force or fails to or refuses to exercise such powers or authority, for corrupt, unlawful or improper motives; and
- (f) attempts at, or abets any act which constitutes misconduct under this section.

**145. Certain orders to be in writing or to be reduced to writing.**– (1) A Head, Deputy Mayor, Vice Chairman, Speaker, committee or sub-committee of the Council,



and all officers and servants of the local government shall act through or under a written order, if:

- (a) this Ordinance or any other law for the time being in force requires that the act shall be done through a written order;
- (b) the act pertains to exercise of any authority under this Ordinance or any other law for the time being in force;
- (c) the act is, in view of the Head of the local government or the Chief Officer, of sufficient importance; and
- (d) it has been required as such by the Government for the purposes of this section.

(2) A verbal instruction which in view of the officer or servant of the local government receiving it:

- (a) requires a written order in terms of subsection (1) above, shall be referred back by him to the authority giving such instruction for obtaining a written order;
- (b) is lawful and otherwise appropriate and requires immediate action, shall be acted upon and thereafter reduced to writing and submitted by him to the authority giving such instruction for confirmation;
- (c) is unlawful or otherwise inappropriate, shall forthwith be reduced in writing and submitted by him to the authority giving such instruction with the reasons for considering the instruction unlawful or, as the case may be, inappropriate; or
- (d) is lawful and otherwise appropriate but does not require immediate action, shall be reduced in writing and submitted by him to the authority giving such instruction for approval before acting upon.

## **PART - 7**

### **GOVERNMENT - LOCAL GOVERNMENTS RELATIONS**

#### **Chapter - XXVI**

#### **Oversight by the Government**

**146. Supervision of local governments.**— (1) The Chief Minister may, from time to time, give policy directions and fix objectives for the effective, transparent and efficient undertaking of functions by a local government.

(2) The Minister in charge of the Department may, by a general or special order, direct a local government to take any measure in the public interest, where situation demands immediate action.

(3) The Secretary shall exercise supervision and general control over the local governments to ensure that they always act in the public interest and perform their functions strictly in accordance with the provisions of this Ordinance and all other relevant laws for the time being in force.

(4) The Secretary may direct office of Directorate General Inspections or Directorate General of the Department to probe into any matter relating to the functions of the local government or conduct of elected Officials and Officers of the Local Government Service and the Directorate General of the Department and submit a fact finding report with specific recommendations to deal with the matter.

(5) The Secretary may issue standing instructions on general matters relating to the work of local governments which shall be consistent with this Ordinance and rules made thereunder.

**147. Power to call for information.**— (1) Chief Minister, Minister or Secretary may, through a general or specific order, require a Chief Officer to provide to him, by such time or at such intervals as is specified in the order:

- (a) any record pertaining to the proceedings of the Council, a committee or sub-committee of the Council or any other meeting of the local government;
- (b) a resolution of the Council or any record pertaining to such resolution;
- (c) a bye-law promulgated by the local government or any record pertaining to such bye-law;
- (d) an order or instruction of the Head, Deputy Mayor, Vice Chairperson, Speaker, Councillor, or any officer or servant of the local government and record pertaining to such order or instruction;
- (e) a document, return, statement, estimate, statistics or other information regarding any matter pertaining to or under the control of the local government;
- (f) a report on any matter pertaining to or under the control of a local government; and
- (g) a copy of a document in his charge or under the control of a local government.

(2) It shall be duty of the Head, Deputy Mayor, Vice Chairperson, Speaker, Councillor, officer and servant of the local government to provide such information, documents and record to the Chief Officer as he may require and otherwise assist him for the purposes of this section.

**148. Power of the Secretary to suspend and set aside certain resolutions or orders of local government.**— (1) The Secretary may, by a speaking order in writing, suspend a resolution or order of a local government if he finds that the resolution or order:

- (a) is not in conformity with this Ordinance or with the rules or bye-laws made thereunder or any other law for the time being in force;
- (b) is prejudicial to the public interest; or
- (c) is likely to lead to a breach of peace or to cause injury or annoyance to the public or any class or body of a person.

(2) A copy of the order under subsection (1) shall be sent to the respective Head of the local government who shall consider the matter afresh.

(3) The local government shall, after taking the matter into consideration, pass a resolution or an order afresh and send a copy thereof together with a copy of the proceedings relating to that resolution or order to the Secretary.

(4) The Secretary may, after considering the resolution or the order passed by the local government under subsection (3) and the proceedings related to that resolution, either cancel, modify or confirm the order passed by him under subsection (1) or take such other action in respect of the matter including setting aside of the resolution or order, if it is considered just or expedient having regards to the circumstances of the case.

(5) Any resolution or order passed by a local government or any act or thing done or intended to be done by a local government which is revoked or prohibited by the Secretary shall cease to have effect from the date of setting aside of the resolution or order.

(6) A local government or any person aggrieved from the order under subsection (4,) may within thirty days, file an appeal before the Commission.

(7) The Commission shall decide the appeal within ninety days.

**149. Procedure where Head of the local government fails to show cause or to take action on directions under the Ordinance.**— (1) If within the period specified in an order under section 148, any measure or arrangement directed thereunder has not been duly taken or made, or cause has not been shown as aforesaid, the Minister in charge of the Department may, by a written order:

- (a) withhold transfer of all moneys or such portion of moneys receivable by that local government from the provincial allocable amount as it deems appropriate till such time as the measures or arrangements directed are duly taken or made; or
- (b) impose a fine on the local government not exceeding two per centum of the moneys receivable by the local government from the provincial allocable amount during the relevant financial year.

**150. Power of the Secretary to take action on his own.**— (1) Where, in view of the circumstances of the local government or the immediate nature of the arrangement or measure, the Secretary is of the opinion that the arrangements or measures should be made or taken, he may, by an order, direct the Head of the local government, to make such arrangement or take such measures within a specified period.

(2) Where the Head of a local government fails to act within the period specified under subsection (1) or the cause shown by him, in the opinion of the Secretary, is unsatisfactory, the Secretary may by an order appoint any of his subordinate officer to take the action so directed.

(3) The Secretary or an officer appointed under subsection (2) may for the purpose of taking the action directed, exercise all powers and authority conferred

upon the local government or an officer of the local government by or under this Ordinance which are specified in that behalf in the order issued under subsection (2).

**151. Suspension or dissolution of a local government.**— (1) Without any prejudice to other provisions of this Ordinance, where, in view of the appertaining circumstances, the Chief Minister is of the opinion that a local government may be suspended for any of the following reasons:

- (a) the Council has been unable to meet its statutory obligations for the last two financial years; or
- (b) the local government becomes insolvent and remains so for a period of one financial year

(2) The Chief Minister shall, through an order direct the respective Head of the local government to show cause within a specified period as to why proceedings for suspension of the local government shall not be initiated.

(3) Where the Head of the local government fails to show cause within the specified period or the cause shown by him is, in the opinion of the Chief Minister, unsatisfactory, the Chief Minister may suspend it for a specified period, which shall in no circumstances exceed six months and shall make a reference to the Commission for an inquiry as to whether such reason or reasons exist and the local government should be dissolved.

(4) Where, as a result of an inquiry under subsection (3), after hearing all the stakeholders, the Commission views that one or more reasons mentioned in this section exist and the local government may be dissolved, the Chief Minister shall, by an order published in the official Gazette, dissolve that local government.

**152. Effect of suspension or dissolution of a local government.**— (1) Without any prejudice to other provisions of this Ordinance, consequent to an order under section 151 of this Ordinance:

- (a) all elected officials of the suspended or dissolved local government shall stand suspended or dissolved forthwith;
- (b) all powers, duties and functions of the local government shall, during the period of suspension or dissolution, be exercised and performed by such of its officer or authority as the Secretary may appoint in this behalf; and
- (c) all funds and properties vested in the local government shall, during the period of suspension or dissolution, vest in the officer or authority referred to in clause (b) above as a trust for the purpose of this Ordinance.

(2) Where, at the time of dissolution, the remaining term in office of the council is in excess of one hundred and twenty days, the Election Commission shall order fresh elections in the respective local area in terms of section 47 or 48 of this Ordinance, so far as possible, and if, at the time of such dissolution, the remaining term in office of the council is less than one hundred and twenty days, the officer or authority referred to in clause (b) of subsection (1) above shall continue to exercise powers and perform duties and functions of the local government and its funds and properties shall continue to vest in him till an elected council resumes office.

**153. Reinstatement of suspended local government.**— A local government, if not earlier reinstated by the Chief Minister, shall stand reinstated into office immediately on the expiry of period of suspension.

**PART 8  
COORDINATION AND CONFLICT MANAGEMENT**

**Chapter - XXVII  
Punjab Local Government Commission**

**154. Establishment of Punjab Local Government Commission.**— The Government shall constitute Punjab Local Government Commission to perform such functions as are conferred upon it by or under this Ordinance.

**155. Chairperson and members of the Commission.**— (1) The Commission shall comprise of eleven members including the Chairperson as under:

- (a) Minister in charge of the Department, who shall also be the Chairperson of the Commission;
- (b) four members of Provincial Assembly of the Punjab, of whom two shall be appointed by the leader of the house and the other two by the leader of the opposition in the Assembly;
- (c) the Secretary of the Department who shall also be the Secretary of the Commission;
- (d) Secretary to the Government, Law and Parliamentary Affairs Department;
- (e) Four expert members including one woman, to be appointed by the Chief Minister, in terms of section 158 of this Ordinance.

(2) In the case of absence of the Minister for any reason, the members shall elect one of the members present at the meeting to be the Chairperson for the duration of his absence.

(3) The Commission may co-opt any other person for advice in relation to a particular matter under its consideration; however, the co-opted members shall have no right of vote.

(4) No proceedings or act of the Commission shall be invalid merely on the ground of existence of a vacancy or defect in composition of the Commission.

(5) The members of the Commission shall be paid such remuneration as the Government may, from time to time, determine and the honorarium of a member shall not be varied to his disadvantage during his term in office.

**156. Term of office and premature removal of certain members.**— (1) The Minister and Secretaries referred to in section 155 shall hold office on *ex officio* basis.

(2) A member of the Commission mentioned under clause (e) of subsection (1) of section 155 shall hold office for four years and may, at any time, resign from office under his hand to the Chairperson of the Commission.

(3) The Chief Minister may, after due notice and inquiry, remove any member of the Commission, not being the Minister or a Secretary referred to in section 155 of this Ordinance, during the tenure of his office on the grounds of inefficiency, misconduct, misuse of office or inability to perform functions due to bad health or physical or mental incapacity.

(4) A person shall not be eligible for appointment as a member of the Commission if he has previously been removed from his office under subsection (3).

**157. Casual vacancy.**— (1) Where the position of a member, not being the Minister or a Secretary to the Government, becomes vacant on account of his resignation, removal, death or for any other cause, the Government shall appoint a person to fill this vacancy in the same manner as was applicable for the selection of that member.

(2) A person appointed under subsection (1) shall hold office for the remainder of the term of office of the member whom he replaces.

**158. Eligibility for appointment of expert members.**— (1) A person shall be eligible for appointment as an expert member under section 155 of this Ordinance, only if:

- (a) he has at least sixteen years education from an institution recognized by the Higher Education Commission of Pakistan, in a discipline related to one or more functions of the Commission, possesses special knowledge of local government and their work with at least ten years relevant experience in municipal services and finance, public administration and local governance, law and dispensation of justice, community development or any other related areas relevant for the purposes of this Ordinance; and
- (b) he is not in the service of Pakistan or any office or body which is set up, or owned or controlled by the Government, or a local government in the Punjab, or in which the Government or a local government has a controlling share or interest.

(2) A person who has previously remained as an expert member shall be eligible for re-appointment as a member of the Commission.

**159. Oath of office of members of the Commission.**— Before assuming the charge of office, every member of the Commission shall make an oath in the form set out in the Fourth Schedule before the Governor of the Punjab.

**160. Functions of the Commission.**— (1) Without prejudice to other provisions of this Ordinance, the Commission shall carry out the following functions:

- (a) conduct annual and special inspections of the local governments and submit its reports to the Chief Minister;
- (b) if so directed by the Chief Minister or the Government, conduct:
  - (i) an inquiry by itself or through any other agency including office of the Secretary, about any matter concerning a local government or a defunct local government;

- (ii) audit by itself or direct any other agency to conduct a special audit of any local government or a defunct local government;
- (c) resolve the disputes between any Department of the Government and a local government or between two or more local governments and if the Commission fails to settle the dispute, the aggrieved party may move the Chief Minister for resolution of the dispute;
- (d) enquire into the matters referred to it by the Chief Minister, Minister, Secretary or a Chief Officer and give its decision on such matter;
- (e) conduct social and performance audit of a category of the local governments or a defunct local government on the basis of specific performance indicators through a third party and publish the report of such audit;
- (f) submit to the Chief Minister an annual report on the over-all performance of the local governments;
- (g) take cognizance of violations of laws and rules by a local government or a defunct local government in the performance of its functions; and
- (h) organize consultative planning meetings of National and Provincial legislators, the Mayors and the Chairpersons on a periodic basis to provide their participation in development activities with regard to-
  - (i) consultative process of the annual development plan;
  - (ii) formulating procedures for utilization of the Legislators' development grant;
  - (iii) assessing implementation of decision of these meetings;
  - (iv) reviewing development schemes; and
  - (v) facilitation in the performance of Provincial departmental functions of the decentralized offices and authorities, relating to policy analysis, oversight, checks and balances, capacity building and coordination through the Commission.

(2) The decision of the Commission shall be binding on the local government, failing which, the Commission may report the matter with specific recommendations to the Chief Minister for appropriate action.

(3) The Chief Minister may, on the recommendation of the Commission, suspend an elected official for a maximum period of ninety days for fair conduct of inquiry under subsection (1) or for preventing such elected official from continuing with any unlawful activity during the pendency of the inquiry.

(4) Where, on an inquiry under subsection (1), the elected official is found guilty of misconduct by the Commission, the Commission shall recommend to the Chief Minister any appropriate action including removal of such elected official, and

the Chief Minister may pass appropriate orders including the removal of such elected official.

(5) The Government or Chief Minister shall, during the exercise of its powers under this Ordinance, have regards to the reports of the Commission submitted in relation to the matters mentioned under subsection (1).

**161. Certain powers of a court to vest upon the Commission.**— (1) The Commission shall have the powers of a civil court under the Code of Civil Procedure, 1908 (V of 1908) in respect of:

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) compelling the production of documents;
- (c) receiving evidence on affidavits; and
- (d) issuing commission for the examination of witnesses.

(2) The Commission shall be deemed to be a Court within the meaning of sections 480 and 482 of the Code of Criminal Procedure, 1898 (V of 1898).

**162. Procedure of the Commission.**— (1) The Commission shall, subject to this Ordinance and the rules, regulate its own procedure.

(2) All decisions of the Commission shall be made through a simple majority vote of the members present and voting.

(3) A meeting of the Commission shall be open to public unless the members present, by a simple majority vote, consider that public information of the proceedings of the meeting shall be prejudicial to public interest by reason of confidential nature of business to be transacted in the meeting.

**163. Duty of the Government, local governments etc. to cooperate with the Commission.**— (1) The Commission may require the Government, a local government, or any person, office or authority in the Punjab to render such assistance or to make available such information or records which it reasonably requires for the purposes of this Ordinance.

(2) It shall be the duty of the Government, every local government, person, office or authority in the Punjab to render assistance or to make available such information or record as is required by the Commission under subsection (1).

**164. Secretariat of the Commission.**— (1) The Commission shall have a secretariat comprising such number of officers and staff as the Government may from time to time determine.

(2) There shall be a separate budget for the Commission in the annual budget of the Punjab.

(3) The secretariat of the Commission shall be Headed by the Secretary who shall also be the Principal Accounting Officer of the Commission.

(4) The Directorate General Inspections, if so required, shall assist the Commission in conduct of inspection, inquiries, monitoring and implementation of the directions of the Commission.



(5) Office of the Directorate General Inspections shall consist of a Director General Inspections who shall be an officer of the Pakistan Administrative Service or the Provincial Management Service and such number of officers and officials as may be notified by the Secretary.

**165. Responsibility of the Commission.**– The Punjab Local Government Commission shall be responsible to the Chief Minister and the Government.

## **PART 9 PLANNING AND DEVELOPMENT**

### **Chapter – XXVIII**

#### **Planning, Development and Land use in Metropolitan Corporation and District Council**

**166. Local development plan.**– (1) Within six months of the assumption of office, every Head of the local government shall prepare a plan for the development of respective local area in relation to the functions of the local government under this Ordinance during the next four years, to be called the local development plan.

(2) A local development plan shall be prepared in such form and in such manner as the Secretary may by an order specify and, among other things, include:

- (a) objectives of the local government with respect to development of local area;
- (b) strategies for achievement of these objectives and indicators for monitoring such achievement; and
- (c) resource plan describing financial and other resources required for the attainment of stated objectives and how such resources shall become available to the local government.

(3) In the like manner, sufficiently before the commencement of a financial year, every Head of the local government shall prepare a draft plan of construction or other works and activities by or on behalf of the local government to be carried out during that financial year, called the draft annual development plan.

(4) Every draft annual development plan prepared under subsection (3) shall be aligned to and contribute towards the objectives of the local development plan.

**167. Initiation of proposals for new works etc.**– (1) For the purpose of drawing up an annual development plan, the Head of the local government shall call for proposals for carrying out construction or other works or activity by or on behalf of a local government.

(2) A proposal under subsection (1) may be initiated by any one or more of the following:

- (a) a Deputy Mayor;
- (b) a Vice Chairperson;
- (c) the Speaker;
- (d) a Councillor;

- (e) the Chief Officer;
- (f) the Council through a resolution;
- (g) a resident of the local area;
- (h) a Community Council or Panchayat located in the relevant local area; and
- (i) by or under the authority of the Secretary or any officer authorized by him.

(3) Every proposal under subsection (1) shall be drawn in the prescribed form and made to the Chief Officer of the relevant local government by such dates as may be specified by the Head of the local government.

(4) The provisions of this section shall not apply to any construction or other work or activity by or on behalf of a local government for the maintenance, repair or renewing of any of its existing facility or amenity, the value of which does not exceed such amounts as the Secretary may, from time to time, specify.

**168. Approval of annual development plan.**– (1) The Head of the local government shall present the draft annual development plan before the Council at a public meeting.

(2) The Council may, with a simple majority of vote of all Councillors holding office:

- (a) revise the draft annual development plan; or
- (b) approve the draft annual development plan.

(3) Where in the view of the Head of the local government, revision of the draft annual development plan by Council is not in accordance with the provisions of this Ordinance or is otherwise inappropriate, he may, again present the draft annual development plan, with or without any revision, before the Council, and after due consideration, the Council may:

- (a) approve it with a simple majority of vote of all Councillors holding office; or
- (b) revise or reject it with a two-third majority of vote of all Councillors holding office.

(4) Without any prejudice to other provisions of this section, the annual development plan presented by the Head of the local government under subsection (3) which is not rejected or revised by the Council with two-third majority, should be deemed to have been approved.

**169. Secretary to certify annual development plan if not approved by a local government.**– (1) In case where annual development plan of a local government is not approved under section 168 of this Ordinance within thirty days of the commencement of the financial year to which it pertains, the Secretary may, after due notice to the relevant Head of the local government and having regards to the needs of that local area, cause such annual development plan to be prepared on its own and may also certify it.

(2) The annual development plan certified under subsection (1) shall be deemed to be the approved annual development plan of the local government for that financial year.

**170. Planning guidelines.**— (1) As soon as may be, but not later than six months of the commencement of this Ordinance, the Secretary shall by an order notified in the official Gazette, specify planning guidelines for approval of construction or other works or activity by or on behalf of local government.

- (2) Every planning guideline shall, among other things:
- (a) set out the value, size or type of work or other activity which may be undertaken by various local governments;
  - (b) set out criteria to be applied for deciding actual need for a particular work or activity on the basis of its sustainability, cost-effectiveness and likely economic and social returns;
  - (c) identify one or more undertakers as appropriate persons to carry out a specified description of work; and
  - (d) set out circumstances in which it is appropriate for a specified type of action to be taken to mitigate the impact of a specified description of work.

(3) Every order under subsection (1) shall remain applicable for three financial years following the date of its commencement unless it is otherwise amended or replaced by the Chief Minister.

**171. Duty of every local government to maintain public service infrastructure maps.**— It shall be the duty of every local government to prepare and maintain detailed maps of the infrastructure relating to public services provided by it under this Ordinance or any other law for the time being in force and from time to time modify and update such maps.

## **PART 10 REGULATION AND ENFORCEMENT**

### **Chapter - XXIX Municipal Offences and their Cognizance**

**172. Offences, punishments and their cognizance.**— (1) The offences specified in Eight and Ninth Schedules shall be liable to punishment by way of imprisonment, fine, seizure, forfeiture, confiscation and impounding and such other penalties as are provided in this Ordinance.

- (2) If a person commits an offence specified in -
- (a) Part-I of Eight Schedule, such person shall be punishable with imprisonment for a term which may extend to seven years, or with fine which may extend to five hundred thousand rupees or with both and where an accused was directed by the Inspector for immediate discontinuance of the offence, the Court may impose a further fine which may extend to fifty thousand rupees

for every day for the period the accused has persisted in the offence from the date of its commission;

- (b) Part-II of Eight Schedule, such person shall be punishable with imprisonment for a term which may extend to three years, or with fine which may extend to one hundred thousand rupees or with both and where an accused was directed by the Inspector for immediate discontinuance of the offence, the Court may impose a further fine which may extend to ten thousand rupees for every day for the period the accused has persisted in the offence from the date of its commission
- (c) Part-III of Eight Schedule, such person shall be punishable with imprisonment which may extend to six months or fine which may extend to twenty five thousand rupees or with both and where an accused was directed by the Inspector for immediate discontinuance of the offence, the Court may impose a further fine which may extend to five hundred rupees for every day for the period the accused persisted in the offence from the date of its commission; and
- (d) Ninth Schedule, such person shall, in the first instance, be liable to fine by issuing a ticket specified in Tenth Schedule and where an accused repeats the offence within a period of three months for which the accused was subjected to fine, he shall be liable to the same punishment as provided in clause (c).

(3) If an offence of illegal dumping of solid waste and refuse under Part-II of the Eight Schedule is committed by a person for the first time, he shall be administered a warning; and, in case he repeats the offence within one year from earlier commission, he shall be punished with imprisonment which may extend to three years but which shall not be less than seven days, and with fine which may extend to one hundred thousand rupees but which shall not be less than twenty thousand rupees; and, where an accused was directed in writing by the Inspector for immediate discontinuance of the offence, the Court may impose a further fine which may extend to ten thousand rupees for every day for the period the accused has persisted in the offence from the date of its commission.

(4) The offences specified in clauses (a) and (b) of subsection (2) shall be cognizable and information in this regard shall be forwarded to the officer in-charge of a police station by the Inspector after prior approval of the Chief Officer for registration of a case against the accused in accordance with the provisions of section 154 of the Code.

(5) A Court shall take cognizance of the offences specified in clause (c) of subsection (2) on a complaint made in writing by the Inspector after prior approval of the Chief Officer in accordance with the provisions of section 200 of the Code.

(6) The offences specified in Part-III of Eight Schedule and Ninth Schedule shall be tried in a summary manner in accordance with the provisions of section 260 to 265 of the Code but the limit of punishment mentioned in subsection (2) of section 262 of the Code shall not be applicable.

(7) The fines imposed by a Court for an offence specified in Ninth Schedule shall on collection be deposited in the Public Account of the local government.

(8) The Secretary may, by notification in the official Gazette, entrust to a local government the enforcement of any other law.

**173. Appointment and control of Inspectors.**— (1) The Head of the local government shall, with the approval of the local government, authorize the officials of the local government as Inspectors for the enforcement of the offences specified in the Schedules.

(2) The prescribed officer shall be the controlling authority and administrative Head of an Inspector and the Inspector shall report to the officer for the enforcement of provisions of this Chapter.

**174. Imposition of fine through ticketing.**— (1) Notwithstanding anything contained in this Chapter, where any person, in the opinion of an Inspector, is contravening any provision of the law relating to the offences specified in Ninth Schedule, the Inspector shall charge the accused by issuing a ticket in the prescribed form for payment of fine specified in Tenth Schedule, if such offence has been committed for the first time by the accused within three months.

(2) The ticket referred to in subsection (1) shall be issued in quadruplicate by delivering three copies to the accused after obtaining his signatures or thumb impression on the fourth copy to be retained by the Inspector for record.

(3) The fine may be deposited in the bank account of the local government within ten days from the date of imposition of fine for credit in the Public Account of the local government.

(4) The person to whom a ticket has been issued under this section may either contest the imposition of fine in the Court within ten days from the date of the issuance of the ticket or deposit the fine within that period and provide a copy of payment receipt to the office of the local government.

**175. Court proceedings for default in deposit of fine.**— (1) An official / servant of the local government authorized by the Head of local government shall on weekly basis provide a scroll of all unpaid tickets to the Court.

(2) The Court receiving the scroll shall issue summons to the accused forthwith stating the date of hearing for summary trial in accordance with the provisions of section 260 to 265 of the Code but the limit of punishment mentioned in subsection (2) of section 262 of the Code shall not be applicable.

(3) Where on the first date of hearing, the accused appears before the Court and produces the proof of deposit of fine, or unconditionally admitting his failure, deposits the fine forthwith along with the penalty which shall not be less than ten percent and not more than twenty five percent of the amount of fine determined by the Court in accordance with the procedure provided in subsection (2) of section 388 of the Code further proceedings against the accused may be dropped and no conviction shall be recorded against him.

(4) Upon failure of the accused to appear before the Court in response to the summons issued by it, the Court shall forthwith issue warrants for arrest of the

accused and upon issuance of such warrants the accused shall be liable to punishment under clause (c) of subsection (2) of section 172.

**176. Compounding of offences.**— Subject to this Ordinance, a local government shall constitute a committee consisting of the Head of local government as its Convener, an officer of the local government and a Councillor of the local government as its members for compounding the offences in the prescribed manner.

**177. Municipal Wardens.**—(1) A local government, other than a Neighborhood Council and Village Council, may, with the prior approval of the Government, establish and maintain Municipal Wardens in the prescribed manner.

(2) The Government may, notwithstanding anything contained in the Police Order, 2002(C.E. Order No.22 of 2002), or in any other law, specify the duties which such force may be required to perform.

**178. General powers of Inspectors.**— (1) In case of any serious threat to the public health, safety or welfare or danger to life and property, or where violation of any rule or bye-law is being committed, the Inspector may, in his area of jurisdiction, in addition to imposition of fine or initiating prosecution under this Ordinance -

- (a) suspend any work;
- (b) seize the goods;
- (c) seal the premises;
- (d) demolish or remove the work; or
- (e) issue directions for taking corrective measures within the specified time.

(2) An Inspector shall not enter any dwelling unit without permission of the occupier or the Court.

(3) An Inspector authorized under section 173 may, in relation to the offences specified in Eight Schedule –

- (a) issue notices in writing on behalf of the local government;
- (b) initiate legal proceedings in the court;
- (c) assist in defending legal proceeding initiated against the local government.

**179. Appointment of Municipal Magistrates.**— The Government may, in consultation with the High Court, appoint one or more Special Judicial Magistrates under section 14 of the Code of Criminal Procedure, 1898 (V of 1898), to be called Municipal Magistrates, for cognizance of offences under this Ordinance.

### **Chapter- XXX**

#### **Offences Relating to Code of Conduct and Conflict of Interest**

**180. Punishment for acting dishonestly.**— In addition to any punishment for this Ordinance provided for under any other law for the time being in force, an elected official, Chief Officer or any other officer or servant of the local government, who

knowingly fails to act honestly and in a fair and transparent manner in relation to his duties or exercise of powers under this Ordinance, or makes improper use of his office or information acquired by him because of his being in such office to gain or attempt to gain, directly or indirectly, an advantage for himself or for any other person, or cause any detriment to the local government, shall be guilty of an offence punishable with imprisonment for a term not exceeding three years or a fine not exceeding two hundred thousand rupees or with both.

**181. Punishment for acting despite conflict of interest.**— A person who has a conflict of interest as defined under section 141 of this or and he, knowingly and for the purpose of any gain, acts in contravention of any provision of section 141 of this Ordinance or otherwise influences or seeks to influence any action of the local government with respect to a relevant transaction, shall be guilty of an offence punishable with imprisonment for a term not exceeding three years or a fine not exceeding two hundred thousand rupees or with both.

**182. Cognizance of an offence under this Chapter by courts.**— No court shall take cognizance of an offence under this Chapter except on a complaint by or under the authority of the Secretary.

### **Chapter- XXXI Offences Relating to Local Taxes**

**183. Punishment for non-payment of tax etc.**— A person against whom a tax, fee, rate, rent, toll or other charge imposed upon him under this Ordinance has become final and he does not pay the same despite demand of the Chief Officer or an officer authorized by him in this behalf, shall be guilty of an offence punishable with imprisonment for a term not exceeding six months or a fine not exceeding five hundred thousand rupees, or with both.

**184. Cognizance of offences under this Chapter.**— (1) All offences under section 182 shall be non-cognizable within the meaning of section 2(l) of the Code of Criminal Procedure, 1898 (V of 1898).

(2) No court shall take cognizance of an offence under section 183(1) of this Ordinance except upon a complaint in writing of the respective Chief Officer or a person authorized by him in this behalf.

## **PART 11 MISCELLANEOUS**

### **Chapter - XXXII Officers and Servants of Local Governments**

**185. Chief Officer, other officers and servants of local governments.**— (1) Every local government shall have such number of Chief Officers from amongst the officers of prescribed service and such number and description of other officers and servants as the Secretary may from time to time determine.

(2) All officers of a local government shall be appointed by the Secretary in the prescribed manner.

(3) All servants of a local government shall be appointed by that local government in the prescribed manner and subject to such general directions and conditions as the Secretary may, from time to time, consider appropriate.

**186. Security of tenure for the Chief Officer and other officers.**— All Chief Officers and such other officers of the local governments that may be specified by the Secretary from time to time, shall ordinarily hold office for a period of not less than two years.

**187. Local Government Service.**— The Local Government Service constituted under Act XIII of 2019 shall continue, and be called the Local Government Service and their terms and conditions of service shall be governed under the Punjab Civil Servants Act, 1974 (VIII of 1974) and the rules made thereunder.

**188. Service cadre for servants of the local governments.**— (1) There shall be a separate service cadre for the servants of the local governments called the Local Council Service.

(2) For the sake of uniformity, the Secretary may specify functional groups within the Local Council Service in view of qualifications, experience and skills required for effective undertaking of various functions assigned to the local governments under this Ordinance, and may also specify the method for their recruitment and general terms and conditions of their service.

(3) No local government shall employ servants in excess of the number specified under section 185 of this Ordinance.

**189. Continuation of the Punjab Local Government Board.**— (1) The Punjab Local Government Board, hereinafter called the Board, continued under section 298 of the Punjab Local Government Act, 2019 (XIII of 2019) shall continue.

(2) The Board shall continue to be a body corporate with perpetual succession and a common seal with power to acquire, hold and transfer property, and by its name, sue or be sued.

**190. Composition of the Board.**— (1) The Board shall consist of following ex-officio members:

- (a) The Secretary as Chairperson;
- (b) An officer of the Pakistan Administrative Service or the Provincial Management Service appointed by the Chief Minister as Secretary of the Board;
- (c) A representative of Finance Department not below the rank of Additional Secretary;
- (d) A representative of Regulations Wing of Services and General Administration Department, not below the rank of Additional Secretary;
- (e) A representative of Law Department, not below the rank of Additional Secretary.



**191. Functions of the Board and method for conduct of business.**— (1) In addition to any other function or duty assigned to it under any other law for the time being in force, the Board shall, among any other things:

- (a) deal with service matters of the officers and servants of the Board, Local Government Service and such servants of the Local Council Service as may be prescribed;
- (b) set up and maintain common services for all the local governments, including those relating to the training of officers and servants of local governments;
- (c) undertake research and policy work relating to any aspect of the local governments;
- (d) support the Government and local governments in adherence to this Ordinance and other relevant laws; and in fair, just and transparent working of the local governments;
- (e) set up and operate an employee's fund for the receipt of contributions in respect of pension and other post-retirement benefits of officers and staff of the Board, Local Government Service, investment of such receipts and payment of pension and other post-retirement benefits;
- (f) set up and operate one or more other funds as may be required in relation to its work; and
- (g) perform such other functions as may be prescribed.

(2) All expenditures of the Board shall be contributed by local government in the Punjab in accordance with their share apportioned by the Government from time to time.

(3) The business of the Board shall be conducted in the prescribed manner.

## **PART 12 ADJUDICATION**

### **Chapter - XXXIII Appeals**

**192. Appeal against orders of local governments.**— Any person aggrieved by any order passed by a local government or its officers or servants or other functionaries passed in pursuance of this Ordinance or the rules or bye-laws made thereunder, may appeal to such authority, in such manner and within such period as may be prescribed and order of such authority shall be final.

### **Chapter - XXXIV Punjab Local Government Appeals Tribunal**

**193. Punjab Local Government Appeals Tribunal.**— (1) The Government may, by notification in the official Gazette, establish the Punjab Local Government Appeals Tribunal and shall specify the territorial limits within which or the class or classes of

cases in respect of which, such Tribunal shall exercise jurisdiction under this Ordinance.

- (2) The Tribunal shall have exclusive jurisdiction in respect of:
  - (a) hearing and adjudication of appeals against the final orders of:
    - (i) the Chief Minister and the Minister in charge of the Department;
    - (ii) the Punjab Local Government Commission;
    - (iii) the Local Government Finance Commission;
    - (iv) the Secretary, passed while deciding appeals; and
    - (v) any other person or authority under this Ordinance, if so declared or otherwise required by the Government.
  - (b) matters relating to the service of local government servants including the disciplinary matters as well as terms and conditions of their service.
  - (c) any other matter assigned to or referred to by the Government.
- (3) The Tribunal shall consist of:
  - (a) the Chairperson, being a person who has been or is qualified to be a Judge of the High Court and is not more than sixty five years of age on the date of appointment; and
  - (b) four eminent, qualified and experienced technocrat members, including at least one woman, who are not more than sixty five years of age on the date of appointment, as follows:
    - (i) Member Judicial, who has been a District and Sessions Judge or Additional District and Sessions Judge or a Senior Civil Judge;
    - (ii) Member Service, who has been an officer in the Provincial Service of the Punjab of the rank of Secretary to the Government or equivalent and has performed quasi-judicial functions or functions relating to service matters of civil servants and the local government servants;
    - (iii) Member Municipal Administration, who has been an officer in the Local Government Service in Basic Pay Scale - 20 and has performed the functions relating to local government administration and municipal services; and
    - (iv) Member legal, who has been a legal practitioner having at least 15 years' experience of legal practice in the area of local government laws and possessing practicing license as an Advocate Supreme Court.
- (4) Subject to this section, the Government shall, appoint the Chairperson and the Members on such terms and conditions as may be prescribed and, until so prescribed, as the Government may determine.

(5) In case of appointment of the Chairperson, the Chief Minister shall send a panel of three persons to the Chief Justice of the High Court and the Chief Justice shall recommend a person in the panel for appointment as Chairperson.

(6) The Chairperson or a member of a Tribunal may resign his office by writing under his hand addressed to the Chief Minister.

(7) The Chairperson or a member of a Tribunal, shall not hold any other office of profit in the service of Pakistan for a period of at least one year after ceasing to be the Chairperson or Member.

(8) Notwithstanding anything contained in subsection (3), subsection (4), subsection (5), or subsection (6), a Tribunal established to exercise jurisdiction in respect of a specified class or classes of cases, may consist of one or more persons in the service of Pakistan to be appointed by the Chief Minister.

**194. Constitution of Benches.**— (1) The Chairperson may constitute a Bench consisting of one or more Members including the Chairperson but a Bench, other than a Bench consisting of the Chairperson, shall include at least one Member with legal or judicial experience and the Bench so constituted shall be deemed to be a Tribunal:

Provided that where a single Member Bench is to be constituted, preference shall be given to the Member having legal or judicial experience.

Provided further that the Government, besides the principal seat of the Tribunal at Lahore, may also notify the regional seats of Benches of the Tribunal.

(2) If a Bench is unable to arrive at a unanimous decision in an appeal, the matter shall be placed before the full Tribunal and the decision of the Tribunal shall be expressed in terms of the opinion of the majority:

Provided that if the Chairperson or the member who was not already on the Bench cannot be associated or is unable for any reason to take part in the hearing of the appeal, the decision of the Tribunal shall be expressed in terms of the opinion of the senior member of the Bench.

(3) The Chairperson may, at any stage of hearing of an appeal, withdraw it from the Tribunal and entrust it to a Bench or may withdraw any appeal pending before a Bench and make it over to another Bench or to the Tribunal.

**195. Appeals to Tribunal.**— (1) Any person aggrieved by any final order, whether original or appellate, may, within thirty days of the communication of such order to him or within six months of the establishment of the appropriate Tribunal, whichever is latter prefer an appeal to the Tribunal, in the prescribed manner.

Provided that where an appeal, review or representation to a departmental authority is provided under any rules against any such order, no appeal shall lie to a Tribunal unless the aggrieved person has preferred an appeal or application for review or representation to such departmental authority and a period of sixty days has elapsed from the date on which such appeal, application or representation was so preferred.

**196. Powers of Tribunal.**— (1) The Tribunal may, on appeal, confirm, set aside, vary or modify the order appealed against.

(2) The Tribunal, in order to do complete justice, issue appropriate directions to any person or authority under this Ordinance:

- (a) to do anything what the law requires him to do;
- (b) to refrain from doing anything he is not permitted by law to do;
- (c) declaring that any act done or proceedings taken by a person performing functions in connection with the local government, has been done or taken without lawful authority and is of no legal effect.

(3) Subject to the provisions of this Ordinance and the rules, a Tribunal shall, for the purpose of deciding any appeal and execution of its orders, be deemed to be a civil court and shall have the same powers as are vested in such court under the Code of Civil Procedure, 1908 (V of 1908) including the powers of.

- (a) enforcing the attendance of any person and examining him on oath;
- (b) compelling the production of documents;
- (c) issuing commission for the examination of witnesses and documents; and
- (d) executing its orders.

(4) No court-fee shall be payable for preferring an appeal to, or filing, exhibiting or recording any document in, or obtaining any document from a Tribunal.

**197. Procedure before the Tribunal.**— (1) The Government may, by notification in the official Gazette, may make rules for prescribing the procedure to be followed by the Punjab Local Government Appeals Tribunal for carrying out the purposes of this Ordinance, including the rules for purposes of filing and adjudication of appeals as well as implementation of the decisions of the Tribunal and procedure relating to contempt.

(2) The Tribunal shall summarily decide the cases in the prescribed manner.

**198. Removal of the Chairperson or a Member.**— (1) The Government may remove the Chairperson or relieve a Member, during the tenure of his office, on the ground of misconduct or, physical or mental incapacity.

(2) The Government shall, before removing or relieving the Chairperson or the Member, provide an opportunity of hearing to the Chairperson or the Member.

(3) The Chairperson or the Member may, within fifteen days from the date of the order of removal or relieving, prefer an appeal before the High Court.

(4) The appeal mentioned in subsection (3) shall be heard and decided by a Division Bench of the High Court within thirty days and if the High Court fails to decide the appeal within thirty days of filing the appeal, the appeal shall abate and the decision of the Government shall become final.

**199. Financial Powers.**— (1) The Chairperson shall be the Principal Accounting Officer of the Tribunal.

(2) The Chairperson may re-appropriate funds from one Head of account to another Head of account or sanction expenditure from within the budget allocated to the Tribunal and approval of the Government for the purpose shall not be required.

**200. Abatement of suits and other proceedings.**— All suits, appeals and applications regarding any matter within the jurisdiction of a Tribunal pending in any court immediately before the establishment of the appropriate Tribunal shall abate on the establishment of such Tribunal:

Provided that any party to such a suit, appeal or application may, within ninety days of establishment of the appropriate Tribunal, prefer an appeal to it in respect of any such matter which is in issue in such suit, appeal or application.

**201. Applicability of the provisions of the Limitation Act, 1908.**— The provisions of sections 5 and 12 of the Limitation Act, 1908 (IX of 1908), shall apply to appeals under this Ordinance.

**202. Power to punish for contempt.**—The Tribunal may exercise the same power as the High Court to punish any person for contempt of court and the Contempt of Court Ordinance, 2003 (V of 2003), or any other law pertaining to contempt of court shall have effect accordingly as if reference therein to a Court and to a judge were a reference, respectively, to the Tribunal and the Chairperson or as the case may be, a member of the Tribunal.

**203. Appeals against decision of the Tribunal.**— (1) Any person aggrieved by the final decision of the Tribunal may, within thirty days of the date of the decision, appeal to the High Court, to be heard by a Special Bench of the High Court comprising at least two Honorable Judges of the High Court.

(2) The High Court shall, after giving notice to all the concerned parties, hear and dispose of the appeal within sixty days of its institution.

#### **Chapter - XXXV Bar of Jurisdiction of Courts**

**204. Jurisdiction of courts barred.**— No suit, prosecution, or other legal proceedings shall lie in respect of any matter covered under the provisions of this Ordinance.

**205. Indemnity of actions taken in good faith.**— No suit, prosecution, or other legal proceedings shall lie against any public servant serving in local government for any act done or function performed in good faith under this Ordinance.

#### **PART 13 MISCELLANEOUS**

#### **Chapter - XXXVI Miscellaneous**

**206. General powers of local governments, etc.**— Notwithstanding any specific provision of this Ordinance, every local government shall perform their functions

conferred by or under this Ordinance and in performance of their respective functions, shall exercise such powers and follow such procedures as are enumerated in the Seventh Schedule.

**207. Delegation of powers by the Government.**— The Government may, by order published in the official Gazette, delegate any of its powers under this Ordinance, or the rules, to any officer subordinate to it, any elected official, or any officer or Authority under this Ordinance.

**208. Delegation of Powers by the Head of local government.**— A Head of local government may delegate any of his powers under this Ordinance or rules or bye-laws to any Deputy Mayor or Vice Chairperson, Member of Head's Cabinet, Speaker, Councillor, Chief Officer or any other officers of the local government, partly or fully, and subject to such restrictions or conditions as he may deem fit, after approval by the Council concerned.

**209. All Heads of the local governments, Deputy Mayors, Vice Chairpersons, Speakers, Councillors, officer and servants of the local governments to be public servants.**— All elected officials, Chief officers, other officers and servants of the local government and any other person authorized to act under this Ordinance, shall be deemed to be a public servant within the meanings of section 21 of the Pakistan Penal Code (XLV of 1860).

**210. Remuneration etc. for elected officials.**— With the previous approval of the Government, a Council may, with a simple majority of vote, allow such remuneration, honoraria, allowance and other benefits to the elected officials and professional members of the Head's cabinet, within the approved limit notified by the Government.

**211. Training of functionaries of local governments.**— (1) A local government shall, in annual budget, allocate funds for the training of various elected officials and non-elected functionaries of the local government.

(2) The training shall be attended virtually or otherwise at the place and for the duration, as the Secretary may direct.

**212. Bar against employment of the elected officials in the local government.**— No elected official of a local government shall be employed by or under that local government unless a period of three years has lapsed since he ceased to hold such elected office.

## **Chapter - XXXVII Subordinate legislation**

**213. Rules.**— (1) The Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Ordinance.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the matters specified in Part-I of Sixth Schedule.

(3) The rules made under sub-section (1) shall meet the following considerations:

- (a) consistency with democratic decentralization and subsidiarity;
- (b) enhancement of welfare of the people;
- (c) fairness and clarity; and
- (d) natural justice and due process of law.

**214. Bye-laws.**— (1) A local government may, in its ambit of responsibilities, make bye-laws to carry out the purposes of this Ordinance.

(2) In particular and without prejudice to the generality of the fore-going power, such bye-laws may provide for all or any of the matters specified in Part-II of the Sixth Schedule.

(3) A local government, if required so by the Government shall, within ninety days of such instruction, by notification in the official Gazette, make bye-laws not inconsistent with the rules and this Ordinance.

(4) Where a local government fails to meet the requirements of subsection (2), the Secretary with the approval of the Minister in charge of the Department may prescribe bye-laws for that local government which shall be valid as if framed by that local government.

**215. Amendments in the Schedule.**— The Government may, by notification in the official Gazette amend any Schedule.

## **PART - 14 REPEAL AND TRANSITION**

### **Chapter - XXXVIII Repeal and Savings**

**216. Repeal and Savings.**— (1) The Punjab Local Government Act, 2013 (XVIII of 2013) and Punjab Local Government Act, 2019 (XIII of 2019); and the Village Panchayats and Neighbourhood Councils Act, 2019 (XIV of 2019), are hereby repealed.

(2) Save as otherwise provided, the repeal of laws under sub-section (1) shall not affect:

- (a) the previous operation of the laws repealed under subsection (1), or any other previously repealed local government law, or anything duly done or made thereunder;
- (b) the local areas of the local governments demarcated and notified under the Punjab Local Government Act, 2019 (XIII of 2019), shall remain intact for the purpose of this Ordinance unless altered or reviewed;
- (c) any right, privilege, obligation or liability acquired, accrued or incurred under the repealed local government law(s);
- (d) any penalty, forfeiture or punishment incurred in respect of any offence committed under the repealed local government law(s); and

- (e) any investigation, legal proceedings or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, and any such investigation, legal proceedings or remedy may be instituted, continued or enforced and any such penalty, forfeiture and punishment may be imposed as if the Punjab Local Government Act, 2019 (XIII of 2019) or any other previously repealed local government law; has not been repealed.

(3) Notwithstanding its repeal, anything done or any action taken under the Punjab Local Government Act, 2019 (XIII of 2019) or any other previously repealed local government law, including:

- (a) every proceeding, appointment, notification, notice, license, rule, regulation, bye-law, resolution or direction issued, made or saved;
- (b) every tax, rent, fee, rate, toll or other charge or sums of money assessed, imposed, collected or due to a local government;
- (c) every scheme drawn up, contracted or executed; and
- (d) every instrument or contract executed,

which so far as is in force at the commencement of this Ordinance and not inconsistent with the provisions of this Ordinance, shall be deemed to have been done or taken under this Ordinance unless previously altered, modified, cancelled, suspended, surrendered, withdrawn or superseded, as the case may be, under this Ordinance.

### **Chapter - XXXIX** **Transitional Arrangements**

**217. Interim authorities and continuation of public services.**— (1) All offices, agencies and authorities of the defunct local governments established under the Punjab Local Government Act, 2013 (XVIII of 2013) and Punjab Local Government Act, 2019 (XIII of 2019) shall continue providing public services in their respective local areas without any interruption till such time new local governments are constituted under this Ordinance.

(2) Subject to any other relevant law, all officers and servants of the defunct local governments shall continue to discharge their respective duties and exercise their powers with the successor local governments under this Ordinance, till such time they are assigned or transferred to any other local government.

(3) Nothing in this section shall preclude the Government from appropriately re-organizing the defunct local governments or for that matter reorganizing or reassigning any other office or authority established under the Punjab Local Government Act 2013 (XVIII of 2013).

**218. Interim maintenance of offices and Authorities to be transferred to local governments under this Ordinance.**— Pending the transfer of control of the office, agency or Authority to be transferred to local governments under this Ordinance, any public service, or duty or other function which at the commencement of this Ordinance is being undertaken or performed by that office, agency or authority shall,



notwithstanding any provision of this Ordinance, continue to be undertaken by that office or authority till such time that it is transferred to the local government.

**219. Fiscal transfers and taxes etc. to continue.**— (1) On coming into force of this Ordinance, where a local government was receiving any fiscal transfer, grant or compensation in lieu of Zilla tax or Octroi, the successor local government shall continue to receive such transfer, grant or compensation. m

(2) All taxes, cess, fee, toll, rates, rent, fee or other charges which were being charged under the Punjab Local Government Act, 2019 (XIII of 2019) or any other repealed law shall continue to be charged under this Ordinance, and every person liable to pay such tax, cess, fee, toll, rate, rent, fee or other charge shall continue to pay, unless such tax, cess, fee, toll, rate, fee or other charge is revised, withdrawn or varied under this Ordinance.

**220. Fiscal transfers and budget of the succeeding local governments for the first year in office.**— (1) If for any reason, on the date of assumption of office by a local government under this Ordinance for the first time, no Finance Commission has been established under this Ordinance, provincial allocable amount and the share of transfers to local governments from the provincial allocable amount shall be determined by the interim committee constituted under the repealed Punjab Local Government Act, 2019 (XIII of 2019).

(2) Notwithstanding anything contained in this Ordinance, where a local government assumes office under this Ordinance during the currency of a financial year, the estimate of receipts and expenditure of that local government for that year shall cover the remaining period.

**221. Salaries and emoluments of officers and servants of the local governments during transition.**— (1) On their allocation, re-allocation or transfer under this Ordinance, the salary, pensionary benefits and other emoluments of the officers and servants of the defunct local governments and any other office, agency or authority established under the Punjab Local Government Act, 2019 (XIII of 2019), shall not be reduced or varied to their detriment.

(2) For the removal of any ambiguity in this regard, all officers and servants of the defunct local governments and any other office, agency or authority established under the Punjab Local Government Act, 2019 (XIII of 2019), shall continue to receive their authorized salary, pensionary benefits and other emoluments up till the time they are allocated, re-allocated or transferred to local governments constituted under this Ordinance.

**FIRST SCHEDULE**

(See sections 13, 50)

**Seats of Councillors in Metropolitan Corporations and District Councils**

Sr.	Population size as per latest census	Reserved Seat Councillors						General Councillors	Total
		minorities	women	Workers / peasants	Youth	Traders	Disabled		
1	More than 1,00,00,000	4	16	9	8	3	2	28	70
2	Not less than 50,00,000 and up to 1,00,00,000	3	15	8	7	3	2	25	63
3	Not less than 11,00,000 and up to 50,00,000	2	14	7	6	3	2	22	56
4	Not less than 8,00,000 and up to 11,00,000	2	13	6	5	2	1	20	49
5	Not less than 500,000 and up to 8,00,000	2	12	5	4	1	1	17	42
6	Up to 500,000	1	11	4	3	1	1	14	35

**SECOND SCHEDULE**  
(See section 14)

**Composition of Head's Cabinet for Metropolitan Corporations and District Councils**

Sr. No.	Range of Population of Local area to determine the number of Members of a Head's Cabinet	Total allocated members of Head's Cabinet
(1)	(2)	(3)
1	10,000,001 and above	12
2	1,000,001 to 10,000,000	9
3	Upto to 1,000,000	6
4	Upto to 500,000	3

**Explanation 1:** The number of female members shall be at least One for local governments having population less than ten million and Two for local governments having population ten million and above.

**Explanation 2:** The number of technocrat members shall be one third of total number of Head's Cabinet.

### THIRD SCHEDULE

(See section 61)

#### Declaration on Finality of Prophethood

I, \_\_\_\_\_ son / wife /  
daughter of (mention here the name of the candidate taking oath)  
\_\_\_\_\_ do hereby solemnly swear ( mention here the name of father /  
husband) that I believe in the absolute and unqualified finality of the  
Prophethood of:

[ حضرت مُحَمَّدٌ رَّسُولُ اللَّهِ خَاتَمُ النَّبِيِّينَ صَلَّى اللَّهُ عَلَيْهِ وَعَلَى آلِهِ وَاصْحَابِهِ وَسَلَّمَ ], the last of the prophets, and that I am not the follower of anyone who claims to be a Prophet in any sense of the word or of any description whatsoever after [ حضرت مُحَمَّدٌ رَّسُولُ اللَّهِ خَاتَمُ [ النَّبِيِّينَ صَلَّى اللَّهُ عَلَيْهِ وَعَلَى آلِهِ وَاصْحَابِهِ وَسَلَّمَ ], and that I do neither recognize such a claimant to be Prophet or religious reformer nor do I belong to the Qadiani group or the Lahori group or call myself Ahmadi.

Date:

Signature of the Declarant

**FOURTH SCHEDULE**

(See sections 14, 66, 87, 159)

**Oath of Assumption of an Office under the PLGA 2021**

(in the name of Allah, the most Beneficent, the most Merciful)

I, \_\_\_\_\_ son / wife / daughter of (mention here the name of the candidate taking oath) \_\_\_\_\_ (mention here the name of father / husband) \_\_\_\_\_ elected / nominated / appointed as \_\_\_\_\_ do hereby declare on oath / solemnly affirm:

That, I shall bear true faith and allegiance to Pakistan and would always work to strengthen its ideology, integrity, solidarity and prosperity;

And that, I shall perform my duties under the Punjab Local Government Ordinance, 2021, rules and bye-laws made thereunder and all other applicable laws, honestly, efficaciously and efficiently to the best of my ability;

And that I shall, always work in the best interest of the residents without any favour or prejudice and shall not allow my personal interest to influence my official conduct or my official decision;

And that I shall, to the best of my ability, use moneys and resources of the local government in the best interest of the residents and would do all what is required to prevent misuse or misappropriation of such money or resources;

And that in all circumstances I shall do right to all people according to law without fear or favour, ill will, or discrimination;

And that I shall, always act according to and uphold and promote democratic values;

And that I shall not directly or indirectly communicate or reveal to any person any matter which shall become known to me in my official capacity, except as may be required for the due discharge of my duties.

May Allah Almighty / God, help and guide me (Ameen)

**Dated:** \_\_\_\_\_

**Countersigned**

**Signature of the Declarant**

**Signature and seal of the**

**Designated person to administer  
Oath**

**FIFTH SCHEDULE**  
**(see section 99)**  
**Taxes & Fees**

**PART-I**

**Metropolitan Corporation and District Council**

- (a) Tax on urban immovable property;
- (b) Tax on the transfer of immovable property;
- (c) Entertainment fee on dramatic and theatrical shows;
- (d) Water use charges / fee;
- (e) Drainage rate;
- (f) Conservancy rate;
- (g) Fee for approval of building plans, erection and re-erection of buildings;
- (h) Fee for compounding of offence and violations;
- (i) Fee for change of land use of a land or building as prescribed;
- (j) Fee for licenses, sanctions and permits;
- (k) Fee on the slaughter of animals;
- (l) Fee for establishment of Private Markets;
- (m) Fee for regulation of advertisement through sign boards, hoardings, cutouts, neon-signs, pole signs, sky signs and boards; billboards; directional boards, banners, streamers, moppy signs, temporary advertisement structures and stalls, posters, one way visions, hot air balloons and blimps, moving vehicles, electronic display screens including Light Emitting Diode (LED) and Surface Mounted Device (SMD), etc.,
- (n) Toll fee on roads, bridges and ferries maintained by the respective local government;
- (o) Parking fee;
- (p) Fees on sale of cattle;
- (q) Fee for specific services rendered by the office of local government or any of its authority, agency or company;
- (r) Fee on installation of Base Transceiver Station/Tower; and
- (s) Any other tax or fee or levy authorized by the Government.

**Part- II**

**Village and Neighbourhood Council**

- (a) Fee for registration and certification of birth, marriage, divorce and deaths;
- (b) Fee for specific services rendered;
- (c) Any other tax or fee or levy authorized by the Government.

**SIXTH SCHEDULE**  
**[See sections 213, 214]**

**Part - I (Rules)**

- (1) Conduct of Elections.
- (2) Conduct of Business.
- (3) Conduct of meetings.
- (4) Taxation.
- (5) Property.
- (6) Auction of Collection Rights.
- (7) Regulation of Private Housing Schemes.
- (8) Local Government Service.
- (9) Servants of Local Governments.
- (10) Budget.
- (11) Accounts.
- (12) Contracts.
- (13) Works.
- (14) Conduct of Inspections.
- (15) Conduct of elected officials.
- (16) Fiscal Transfers.
- (17) Delegation of Financial Powers.
- (18) Births, Deaths, Marriages and Divorces.
- (19) Appeal.
- (20) Building control (Regulations).
- (21) Cattle Markets.
- (22) Prevention and removal of encroachments.
- (23) Municipal Libraries.
- (24) street markets and kiosks.
- (25) Any other set of rules necessary for carrying out the purposes of this Ordinance.

**Part-II (Bye-laws)**

- (1) Burial and cremation places.
- (2) Slaughter of animals and maintenance of slaughterhouses.
- (3) Regulation of parking.
- (4) Organization and regulation of fairs, shows, tournaments and other public gatherings.
- (5) Licensing.
- (6) Markets.
- (7) Parks and open places.
- (8) Picketing, parking animals or collecting carts or vehicles on any street.
- (9) Throwing or placing any refuse on any street, or in any place not provided or appointed for the purpose.
- (10) Tampering with any main, pipe, or any apparatus or appliance for the supply of water.
- (11) Disposing of carcasses of animals.
- (12) Use of sewer water for farming.

- (13) Flow or drain to be put upon any street, or public place, or into an irrigation channel or any sewer or drain not set apart for the purpose.
- (14) Fixing any bill, notice, placard, or other paper or means of advertisement against or upon any building or place other than the places fixed for the purpose by the local government.
- (15) Fixing of wooden khokhas, plying of handcarts for the sale of goods, and temporary or permanent shops or extensions thereof on footpaths or beyond the street line.
- (16) Watering cattle or animals, or bathing or washing at, or, near a well or other source of drinking water for the public.
- (17) Any other matters as in the opinion of a local government are necessary or expedient to be provided for in the bye-laws to achieve the objectives of this Ordinance.



## SEVENTH SCHEDULE

[See section 206]

### GENERAL POWERS OF THE LOCAL GOVERNMENTS

#### Animals

**1. Prohibition of picketing or tethering in streets.**— No animal shall be picketed or tethered in such streets or places as may be specified by the concerned local government and any animal found picketed or tethered in any such street or place shall be liable to seizure and impounding.

**2. Prohibition against keeping and maintaining cattle.**— (1) Notwithstanding anything to the contrary contained in any other law or any agreement, instrument, custom or usage or decree, judgment or order of any court or other authority, the concerned local government may declare any part of its local area as a prohibited zone.

(2) At any time after declaration under sub-paragraph (1) has been made, the local government may, by general or special notice, prohibit the keeping and maintaining the cattle by any person in the prohibited zone.

(3) No person shall, after the expiry of the period fixed under sub-paragraph (2), keep or maintain cattle in any part of the prohibited zone:

Provided that the prohibition shall not apply to—

- (i) cattle kept bona fide for sacrificial purpose;
- (ii) cattle kept for drawing carts or use in mills, with the permission of the local government and subject to such conditions as it may impose;
- (iii) cattle under treatment in any veterinary hospital;
- (iv) cattle brought to a cattle market demarcated by the local government for the purpose of sale; and
- (v) cattle brought to a slaughterhouse or kept by butchers for the purpose of slaughter within the area demarcated by the local government.

(4) Persons affected by the prohibition order under sub-paragraph (2) to meet their genuine needs may be allowed to keep and maintain their cattle at the places earmarked as “cattle colonies” by the local government on such terms and conditions as it may impose.

**3. Dangerous animals.**— The concerned government may, by byelaw, define the animals which shall be deemed to be dangerous animals and the circumstances under which animals not otherwise dangerous shall be deemed to be dangerous and such byelaws, among other matters, may provide for the detention, destruction or disposal otherwise of such animals.

**4. Disposal of carcasses.**— Whenever an animal in the charge of a person dies, otherwise than by being slaughtered for sale or consumption or for some other religious purpose such person shall either—

- (a) convey the carcasses within twenty-four hours to a place, if any, fixed by the concerned local government for the disposal of the dead bodies of animals or to a place beyond the limits of its local area, not being a place within two kilometers of such limits; or
- (b) give notice of the death to the local government whereupon the local government shall cause the carcass to be disposed of and charge such fees from the person concerned as the byelaws may provide.

**5. Registration of the sale of cattle.**— The concerned local government may, by byelaws, require that sale of such animals as may be specified shall be registered with the concerned local government in such manner and subject to the payment of such fees as the byelaws may provide.

**6. Registration and control of dogs.**— (1) A local government may make bye-laws to provide for the registration of all dogs kept within such area or areas within its local area as may be specified.

- (2) Such bye-laws shall—
  - (a) require the registration, by the concerned local government of all dogs kept within the area or areas specified or any part thereof.
  - (b) require that every registered dog shall wear a collar to which shall be attached a metal token to be issued by the registration authority of the concerned local government and fix the fee payable for the issue thereof;
  - (c) require that any dog which has not been registered or which is not wearing such token shall, if found in any public place, be detained at a place set apart for the purpose; and
  - (d) fix the fee which shall be charged for such detention and provide that any such dog shall be liable to be destroyed or otherwise disposed of unless it is claimed and the fee in respect thereof is paid within one week, and may provide for such other matters as the concerned local government thinks fit.
- (3) A local government may—
  - (a) cause to be destroyed or confined for such period as it may direct, any dog or other animal which is, or is reasonably suspected to be, suffering from rabies, or which has been bitten by any dog or other animal suffering or suspected to be suffering from rabies;
  - (b) by public notice direct that, after such date as may be specified in the notice, dogs which are without collars or without marks distinguishing them as private property and are found straying on the streets or beyond the enclosures of the houses of their owners, if any, may be destroyed, and cause them to be destroyed accordingly; and
  - (c) require the owner or person in-charge of any dog—

- (i) to restrain it so that it is not set at large in any street without being muzzled, leashed or chained; and
  - (ii) to provide immediate information, if the dog belonging to him has been bitten by any animal suffering or reasonably suspected to be suffering from rabies or any other infectious disease.
- (4) No damages shall be payable in respect of any dog or other animal destroyed or otherwise disposed of under this paragraph.

### **Animal Trespass**

**7. Power to seize.**— (1) A cultivator, tenant, occupier, vendee or mortgagee of any land or crop or produce or any part thereof or any person who has advanced cash for the cultivation of crop may seize or cause to be seized any animal trespassing on such land and doing damage thereto, or any crop or produce thereon, to send them or cause them to be sent within twenty-four hours to a pound established under this Ordinance.

(2) Persons in charge of public roads, pleasure grounds, plantations, canals, drainage works, embankments and the like, and the officers of police, may seize or cause to be seized animals doing damage thereto, and shall send them or cause them to be sent, within twenty-four hours of the seizure, to the nearest animal pound.

**8. Pounds.**— The concerned local government may establish such number of animal pounds as may be necessary and may fix, from time to time, the location of the animal pounds, the rate of feeding, watering and accommodating the impounded animals.

**9. Pound keepers.**— The local government may appoint pound-keepers on whole-time or part-time basis on such terms and conditions as may be fixed.

**10. Registers and returns.**— (1) A pound-keeper shall keep such registers and furnish such returns as may be required by the concerned local government.

(2) When animals are brought to the pounds, the pound-keeper shall enter in the register the number and description of animals, the day and hour on which they were so brought, the name and residence of the seizer and that of the owner, if known, and shall give the seizer or his agent a copy of such entry.

**11. Possession and feeding.**— The pound-keeper shall take charge of, feed and water the animals until they are disposed of as hereinafter provided.

**12. Fines for impounded animals.**— For every animal impounded under this Ordinance, the pound-keeper shall levy a fine in accordance with the scale fixed by the concerned local government and the fines so charged shall form part of and be credited to the local fund.

**13. Delivery or sale of animals.**— (1) If the owner of an impounded animal or his agent appears and claims the animal, the pound-keeper shall deliver it to him on payment of the fine and charges incurred in respect of such animal under proper receipt to be recorded by the owner or his agent in the register.

(2) If the animal is not claimed within seven days of impounding, the pound-keepers shall inform the officer in charge of the Police Station who shall thereupon display at a conspicuous place in his office a notice stating the number and description of animals and places of seizure and impounding. A similar notice shall be displayed at a conspicuous place in the office of the concerned local government.

(3) If the animal is not claimed within seven days of the notice it shall be sold by the local government by open auction after giving sufficient publicity in the local area:

Provided that the person auctioning the animals or the pound-keeper or his relatives shall not bid for or purchase the impounded animals.

(4) The proceeds of the sale of the animal shall be paid to the owner if he appears within six months of the sale, after deduction of fines, feeding and other charges.

### **Arboriculture**

**14. Arboriculture.**— The concerned local government shall plant trees on public streets and other public places within its local area and take all such steps as may be necessary for the plantation and protection of trees on such streets and places.

**15. Nuisance pertaining to trees and plantations.**— (1) A government may, by byelaws, determine the pests of trees and plants and provide for their destruction.

(2) If any land or premises within the local area of the concerned local government is grown with rank or noxious vegetation, or under-growth, the local government may by notice require the owner or the occupier of such land or premises to clear such vegetation or under-growth within a specified time and if he fails to do so within such time, the local government may have such vegetation or under-growth cleared and the cost incurred shall be deemed to be a tax levied on the owner or occupier under this Ordinance.

(3) The concerned local government may, in the manner provided in the byelaws, prohibit the cultivation of any crop which is considered dangerous to public health within such part of its local area as may be specified.

### **Boundaries and Trees**

**17. Boundary walls, hedges and fences.**— (1) No boundary wall, hedge or fence of any material or description shall be erected in such parts of a local area as are specified by a local government without the permission in writing of the concerned local government.

(2) A local government may, by notice in writing, require the owner or lessee of any land in its local area—

- (a) to remove from the land any boundary wall, hedge or fence which is, in its opinion unsuitable, unsightly or otherwise objectionable; or

- (b) to construct on the land sufficient boundary walls, hedges or fences of such material, description or dimensions as may be specified in the notice; or
- (c) to main the boundary walls, hedges or fences of such lands in good order:

Provided that, in the case of any such boundary wall, hedge or fence which was erected with the consent or under the orders of the concerned local government or which was in existence at the commencement of this Ordinance the concerned local government shall make compensation for any damage caused by the removal thereof.

(3) A local government may, by notice in writing, require the owner, lessee or occupier of any such land to cut or trim any hedge on the land in such manner and within such time as may be specified in the notice.

**18. Felling, lopping and trimming of trees.**– (1) Where, in the opinion of the concerned local government the felling of any tree of mature growth standing in a private enclosure in its local area is necessary for any reason, the concerned local government may, by notice in writing, require the owner, lessee or occupier of the land to fell the tree within such time as may be specified in the notice.

- (2) A local government may–
  - (a) cause to be lopped or trimmed any tree standing on land in its local area which belongs to the local government; or
  - (b) by public notice require all owners, lessees or occupiers of land in its local area or by notice in writing require the owner, lessee or occupier of any such land, to lop or trim, in such manner as may be specified in the notice, all or any trees standing on such land or to remove any dead trees from such land.

**19. Digging of Public Land.**– No person shall, without the permission in writing of the concerned local government, dig up the surface of any open space which is not a private property or take out earth therefrom.

**20. Improper use of land.**– (1) If in the opinion of a local government the working of a quarry in its local area or the removal of stone, sand, earth or other material from the soil in any place in its local area is dangerous, to persons residing in or frequenting the neighbourhood of such quarry or place, or creates, or is likely to create, a nuisance, the concerned local government may, by notice in writing, prohibit the owner, lessee or occupier of such quarry or place or the person responsible for such working or removal, from continuing or permitting the working of such quarry or the moving of such material, or require him to take such steps in the matter as the local government may direct for the purpose of preventing danger or abating the nuisance or likely to arise therefrom.

(2) If, in any case referred to in sub-paragraph (1), the concerned local government is of the opinion that such a course is necessary in order to prevent imminent danger, it may, by order in writing, require a proper hoarding or fence to be put up for the protection of passers-by.

## **Building and Land Use Control**

**21. Sanction for buildings.**— No person shall erect or re-erect a building or commence to erect or re-erect a building on any land in a local area except with the previous sanction of the concerned local government nor otherwise than in accordance with the provisions of this Ordinance and of the rules and bye-laws made under this Ordinance relating to the erection and re-erection of buildings:

Provided that a local government may, with the approval of the concerned local government, exempt any Union or a part thereof from application of any specific provisions of the building bye-laws or any matter provided for in paragraphs 25 to 34.

**22. Notice of new buildings.**— (1) Whoever intends to erect or re-erect any building in a local area shall apply for sanction by giving notice in writing of his intention to the concerned local government.

(2) For the purposes of this Ordinance, a person shall be deemed to erect or re-erect a building who—

- (a) makes any material alteration or enlargement of any building, or
- (b) converts into a place for human habitation any building not originally constructed for that purpose, or
- (c) converts into more than one place for human habitation a building originally constructed as one such place, or
- (d) converts two or more places of human habitation into one such place or into greater number of such places, or
- (e) converts a building or a site or land meant for one particular use or in one particular zoning area into any other use or a use meant for another zoning area, or
- (f) converts into a stable, cattle-shed or cow-house any building originally constructed for human habitation, or
- (g) makes any alteration which there is reason to believe is likely to affect prejudicially the stability or safety of any building or the condition of any building in respect of drainage, sanitation or hygiene, or
- (h) makes any alteration to any building which increases or diminishes the height of, or area converted by, or the cubic capacity of, the building, or which reduces the cubic capacity of any room in the building below the minimum prescribed by any bye-law made under this Ordinance.

**23. Conditions of valid notice.**— (1) A person giving the required notice shall specify the purpose for which he intends to use the building.

(2) Where a plan to re-lay a street has been approved by the concerned local government, a person who intends to erect or re-erect a building or commences to erect or re-erect a building shall adopt the approved building or street line and for this purpose any space required to be left vacant shall vest in the local government.

(3) No notice shall be valid until it is made in the manner prescribed in the bye-laws made under this Ordinance along with plans and other information which

may be required therein, have been furnished to the satisfaction of the concerned local government along with the notice.

**24. Power of Local Government to sanction or refuse.**— (1) The concerned local government may, for reasons to be recorded in writing, either refuse to sanction the erection or re-erection, as the case may be, of the building, or may sanction it either absolutely or subject to such directions as it thinks fit in respect of all or any of the following matters, namely:-

- (a) the free passage or way to be left in front of the building;
- (b) the space to be left around the building;
- (c) the ventilation of the building, the minimum cubic area of the rooms and the number and height of the storeys of which the building may consist;
- (d) the provision and position of drains, latrines, urinals, cesspools or other receptacles for wastes;
- (e) the level and width of the foundation, the level of the lowest floor and the stability of the structure;
- (f) the line of frontage with neighbouring buildings if the building abuts on a street;
- (g) the means to be provided for egress from the building in case of fire;
- (h) the materials and method of construction to be used for external and internal walls for rooms, floors, fire-places and chimneys;
- (i) the height and slope of the roof above the uppermost floor upon which human beings are to live or cooking operations are to be carried on; and
- (j) any other matter affecting the ventilation, sanitation safety or environmental aspects of the building and its relationship with the surrounding buildings or areas;

and the person erecting or re-erecting the building shall obey all such written directions in every particular.

(2) The concerned local government may refuse to sanction the erection or re-erection of any building, either on grounds sufficient in the opinion of the concerned local government affecting the particular building, or in pursuance of a notified general scheme or plan of the concerned local government, restricting the erection or re-erection of buildings within specified limits or for any other public purpose.

(3) The concerned local government before sanctioning the erection or re-erection of a building on land which is under the management of the Federal or Provincial Government or any agency thereof, shall ascertain in writing within thirty days of application whether there is any objection on the part of the concerned Government to such erection or re-erection.

(4) The concerned local government may refuse to sanction the erection or re-erection of any building—

- (a) when the land on which it is proposed to erect or re-erect the building is held on a lease from the Federal or Provincial Government if, the erection or re-erection constitutes a breach of the terms of the lease, or
- (b) when the land on which it is proposed to erect or re-erect the building is not held on a lease from the Government, if the right to build on such land is in dispute between the person applying for sanction and the Government.

(5) If the concerned local government decides to refuse to sanction the erection or re-erection of the building, it shall communicate in writing the reasons for such refusal to the person by whom notice was given.

(6) Where the concerned local government neglects or omits, for forty five days after the receipt of a valid notice, to make and to deliver to the person who has given the notice any order of any nature specified in this paragraph, and such person thereafter by a written communication sent by registered post to the concerned local government calls the attention of the concerned local government to the neglect or omission, then, if such neglect or omission continues for a further period of fifteen days from the date of such communication, the concerned local government shall be deemed to have given sanction to the erection or re-erection, as the case may be, unconditionally to the extent that it does not contravene the provisions of the building bye-laws and any notified general scheme for the area:

Provided that, in any case to which the provisions of sub-paragraph (3) apply, the period of forty five days herein specified shall be reckoned from the date on which the concerned local government has received the report referred to in that sub-paragraph.

(7) The concerned local government may, after giving notice and for reasons to be recorded, cancel, modify or withdraw the sanction of a site plan at any time before construction has commenced or been made.

(8) Nothing in this paragraph shall apply to any work, addition or alteration which the concerned government may, by byelaws, declare to be exempt.

**24. Compensation.**— (1) No compensation shall be claimed by any person for any damage or loss which he may sustain in consequence of the refusal of the local government of sanction to the erection of any building or in respect of any direction issued by it.

(2) The concerned local government shall make compensation to the owner of any building for any actual damage or loss sustained by him in consequence of the prohibition of the re-erection of any building or of its requiring any land belonging to him to be added to the street:

Provided that the concerned local government shall not be liable to make any compensation in respect of the prohibition of the re-erection of any building which for a period of three years or more immediately preceding such refusal has not been in existence or has been unfit for human habitation.

**25. Lapse of sanction.**—Every sanction for the erection or re-erection of a building given or deemed to have been given by the concerned local government as hereinbefore provided shall be available for one year from the date on which it is given, and, if the building so sanctioned is not begun by the person who has



obtained the sanction or someone lawfully claiming under him within that period, it shall not thereafter be begun unless the concerned local government on application made therefor has allowed an extension of that period.

**26. Period for completion of building.**—The concerned local government, when sanctioning the erection or re-erection of a building as hereinbefore provided, shall specify a reasonable period after the work has commenced within which the erection or re-erection is to be completed, and, if the erection or re-erection is not completed within the period so fixed, it shall not be continued thereafter without fresh sanction obtained in the manner hereinbefore provided, unless the concerned local government on application made therefor has allowed an extension of that period:

Provided that not more than two such extensions shall be allowed by the concerned local government in any case.

**27. Illegal erection and re-erection.**— No person shall begin, continue or complete the erection or re-erection of a building—

- (a) without having given a valid notice or before the building has been sanctioned or is deemed to have been sanctioned, or
- (b) without complying with any direction made to him, or
- (c) when sanction has been refused, or has ceased to be available, or has been suspended by the concerned local government.

**28. Power to stop erection or re-erection or to demolish.**— (1) A local government may, at any time, by notice in writing, direct the owner, lessee or occupier of any land in its local area to stop the erection or re-erection of a building in any case in which the concerned local government considers that such erection or re-erection is an offence, and may in any such case or in any other case in which the concerned local government considers that the erection or re-erection of a building is an offence within twelve months of the completion of such erection or re-erection in like manner direct the alteration or demolition, as it thinks necessary, of the building, or any part thereof, so erected or re-erected:

Provided that the concerned local government may, instead of requiring the alteration or demolition of any such building or part thereof, accept by way of composition such sum as it thinks reasonable.

**29. Completion of building or alteration of buildings.**— (1) Every person who has erected or re-erected a building shall, within thirty days of the completion of the building, report such completion to the concerned local government.

(2) The concerned local government may cause to be inspected any building of which construction has begun or which has been erected or re-erected in violation or contravention of any provision of this Ordinance, rules or the byelaws or of the master plan or site development scheme, if any. The local government may require the alteration of the building so as to be in compliance therewith, and where such alteration is not possible, it may require the building or any part thereof to be demolished, or on the application of the owner of such building compound the offence on payment of such composition fee as may be deemed reasonable.

(3) If a building is required to be demolished under the provisions of subparagraph (2) and such requirement is not complied with, within the specified period,

the local government may have the building demolished through its own agency and the cost so incurred shall be deemed to be a tax levied on the owner or occupier of the building under this Ordinance.

**30. Regulation of buildings.**— (1) Except with the prior sanction of the concerned local government, no building shall be put to a use other than shown in the building plan according to which it was erected or re-erected:

Provided that the local government shall not sanction any change in the use of a building which may be in violation or contravention of the master plan or site development scheme, if any.

(2) If any building or anything fixed thereon be deemed by the concerned local government to be in a ruinous state or likely to fall or in any way dangerous to any inhabitant of such building or of any neighbouring building or to any occupier thereof or to passers-by, the local government may, by notice, require the owner or occupier of such building to demolish it or to take such action in regard to the building as may be specified in the notice, and if there is default, the local government may take necessary action and the cost so incurred shall be deemed to be a tax levied on the owner or occupier of the building under this Ordinance.

(3) If a building is so ill constructed, or dilapidated or in dangerous condition or otherwise unfit for human habitation, the concerned local government may prohibit the occupation of such building till it has been suitably repaired to the satisfaction of the local government.

(4) If the building is in dangerous condition and declared unfit for human habitation, the concerned local government may, for the purpose of demolition, eject the owner or occupier from such building with such necessary force as may be required or in the laid down manner.

(5) Where it appears to the concerned local government that any block of buildings is in an unhealthy condition by reason of the manner in which the buildings are crowded together, or of the narrowness or closeness of the street, or of the want of proper drainage or ventilation, or of the impracticability of cleansing the buildings or other similar cause, it may cause the block to be inspected by a committee consisting of such officials of the concerned local government as prescribed in the bye-laws.

The committee shall make a report in writing to the concerned local government on the sanitary condition of the block, and if it considers that the condition thereof is likely to cause risk of disease to the inhabitants of the building or of the neighbourhood or otherwise to endanger the public health it shall clearly indicate on a plan verified by a senior technical professional of the concerned local government the buildings which should in its opinion wholly or in part be removed in order to abate the unhealthy condition of the block.

If, upon receipt of such report, the concerned local government is of the opinion that all or any building indicated should be removed, it may, by notice in writing, require the owners, thereof to remove them:

Provided that the concerned local government shall make compensation to the owners for any buildings so removed which may have been erected under proper authority:

Provided further that the concerned local government may, if it considers it equitable in the circumstances so to do, pay to the owners such sum as it thinks fit as compensation for any buildings so removed which have not been erected under proper authority.

For the purposes of this sub-paragraph "buildings" includes enclosure walls and fences appertaining to buildings.

(6) Where it appears to a local government that any building or part of a building which is used as a dwelling house is so overcrowded as to endanger the health of the inmates thereof, it may, after such inquiry as it thinks fit, by notice in writing require the owner or occupier of the building or part thereof, as the case may be, within such time not being less than one month as may be specified in the notice, to abate the overcrowding of the same by reducing the number of lodgers, tenants, or other inmates to such number as may be specified in the notice.

**31. Projections and obstructions.**— (1) No owner or occupier of any building in a local area shall, without the permission in writing of the concerned local government add to or place against or in front of the building any projection or structure overhanging, projecting into, or encroaching on, any street or any drain, sewer or aqueduct therein.

(2) The concerned local government may, by notice in writing, require the owner or occupier of any such building to alter or remove any such projection or encroachment as aforesaid:

Provided that, in the case of any projection or encroachment lawfully in existence at the commencement of this Ordinance, the concerned local government shall make compensation for any damage caused by the removal or alteration thereof.

**32. Unauthorized buildings over drains, etc.**— A local government may, by notice in writing, require any person who has, without its permission in writing, newly erected or re-erected any structure over any public sewer, drain, culvert, water-course or water-pipe in its local area to pull down or otherwise deal with the same as it thinks fit.

**33. Drainage and sewer connections.**— (1) A local government may, by notice in writing, require the owner or lessee of any building or land in any street, at his own expense and in such manner as the concerned local government thinks fit, to put up and keep in good condition proper troughs and pipes for receiving and carrying rain water from the building or land and for discharging the same or to establish and maintain any other connection or communication between such building or land and any drain or sewer.

(2) For the purpose of efficiently draining any building or land in its local area, the concerned local government may, by notice in writing, require the owner or lessee of the building or land—

- (a) to pave, with such materials and in such manner as it thinks fit, any courtyard, ally or passage between two or more buildings, or
- (b) to keep any such paving in proper repair.

**34. Power to attach brackets for lamps.**—A local government may attach to the outside of any building, or to any tree in its local area, brackets for lamps in such manner as not to occasion injury thereto or inconvenience.

**35. Power to make bye-laws.**—A local government may make bye-laws prescribing—

- (a) the manner in which notice of the intention to erect or re-erect a building in its local area shall be given to the local government and the information and plans to be furnished with the notice;
- (b) the type or description of buildings which may or may not, and the purpose for which a building may or may not, be erected or re-erected in its local area or any part thereof;
- (c) the minimum cubic capacity of any room or rooms in a building which is to be erected or re-erected;
- (d) the fees payable on provision by the concerned local government of plans or specifications of the type of buildings which may be erected in the local area or any part thereof;
- (e) the circumstances in which a mosque, temple or church or other sacred building may be erected or re-erected; and
- (f) any other matter which the concerned local government may consider necessary including any specific exemption from the application of the bye-laws.

### **Burial Places and Cremation**

**36. Power to call for information regarding burial and burning grounds.**— (1) The concerned local government may, by notice in writing, require the owner or person in charge of any burial or burning ground within its area to supply such information as may be specified in the notice concerning the condition, management or position of such ground.

(2) No place which has not been used as a burial or burning ground before the commencement of this Ordinance shall be so used without the permission in writing of the concerned local government.

(3) No new burial or burning place shall be established within the local area of a local government except under a licence granted by the local government and in conformity with the condition of such licence.

(4) A burial or burning place which is not administered by a local government shall be registered with the concerned local government and shall be subject to regulation, supervision and inspection by it in such manner as the byelaws may provide.

(5) The Government may, by notification in the official Gazette, declare that any burial or burning place which is open to public for burial or burning shall vest in a local government and thereupon such burial or burning place shall vest in the local government and it shall take all measures necessary for the proper maintenance and administration thereof.

(6) The concerned local government may provide suitable places for the burial or burning of the dead, and shall take necessary measures for the proper maintenance and administration of such burial and burning places.

(7) Where a local government after making or causing to be made a local inquiry, is of opinion that any burial or burning ground in its local area has become offensive, to, or dangerous to, the health of, persons living in the neighbourhood, it may, by notice in writing, require the owner or person in charge of such ground to close the same from such date as may be specified in the notice.

(b) Where such notice is issued, the concerned local government may provide at its own expense or, if the community concerned is willing to provide a new burial or burning ground, shall provide a grant to be made towards the cost of the same.

(8) No corpse shall be buried or burnt in any burial or burning ground in respect of which a notice issued under this paragraph is for the time being in force.

### **Fairs and Shows**

**37. Fairs and shows.**— The concerned local government may make such arrangements on the occasion of any fairs, shows or public festivals within its local area as may be necessary for the public health, public safety and public convenience, and may levy fees on the persons attending such fairs, shows and festivals.

### **Drainage and Sewerage**

**38. Drainage.**— (1) The concerned local government shall provide an adequate system of public drains in its local area and all such drains shall be constructed, maintained, kept cleared and emptied with due regard to the health and convenience of the public.

(2) Every owner or occupier of any land or building within the local area of the concerned local government may, with its previous permission, and subject to such terms and conditions, including the payment of fees, as it may impose, cause his drains to be emptied into public drains.

(3) All private drains shall be subject to control, regulation and inspection by the concerned local government.

(4) Subject to the provisions of any other law for the time being in force, the concerned local government may by notice direct a commercial or industrial concern to provide for the disposal of its waste or effluent in the manner specified, and failure on the part of owner, tenant or occupier thereof to comply with such directions, shall be a municipal offence.

(5) The concerned local government may, by notice, require the owner of any building, land or an industrial concern within its local area—

(a) to construct such drains within the building or land or the street adjoining such building or land and to take such other measures for treatment and disposal of effluent as may be specified in the notice;

(b) to remove, alter or improve any such drains; and

(c) to take other steps for the effective drainage of the building or land as may be specified.

(6) In case of failure of owner to comply with the requirements of notice under sub-paragraph (5), the concerned local government may itself cause such requirements to be carried out, and the cost so incurred shall be deemed to be a tax levied on the owner of the building or land, as the case may be, under this Ordinance.

**39. Drainage and sewerage schemes for commercial and industrial area.–**

(1) The concerned local government may, by notice, require the owners, tenants and occupiers of commercial and industrial concerns in any area or areas within its local area to have at their own cost prepared a scheme for the adequate and safe drainage and disposal of their wastes and effluent of the quality permitted under the rule or the byelaws and submit it to the local government within the time specified in the notice:

Provided that the time limit may be extended by the local government for a maximum period of three months at the request of the owners, tenants or occupiers of the commercial and the industrial units concerned.

(2) The drainage, sewerage and disposal scheme as approved by the local government with modifications, if any, shall be executed and implemented by the owners, tenants or occupiers of the commercial or industrial units at their expense in such manner and within such time as may be specified by the local government.

(3) In case of the failure of the owners, tenants or occupiers of the commercial or industrial concerns to comply with the provisions of sub-paragraphs (1) and (2), the concerned local government may itself prepare the drainage, sewerage and disposal scheme and execute and implement it at its own expense, and the cost so incurred shall, under this Ordinance, be deemed to be a tax levied on the owners, tenants or occupiers of the industrial and commercial units concerned.

### **Encroachments**

**40. Encroachment and subsisting lease and licences.–** (1) No person shall make an encroachment movable or immovable on an open space or land vested in or managed, maintained or controlled by a local government, or on, over or under a street, road, graveyard, within its local area or a drain.

(2) The local government may, after such notice as may be considered reasonable, remove the encroachment mentioned in sub-paragraph (1) with such force as may be necessary.

(3) A person who trespasses into or is in wrongful occupation of a building or property which is vested in or is managed, maintained or controlled by a local government may, in addition to any other penalty to which he may be liable under this Ordinance or any other law for the time being in force, after such notice as may be considered reasonable by the local government, be ejected from such building or property by the local government with such force as may be necessary.

(4) Any person aggrieved by the notice issued under sub-paragraph (3) may, within seven days, of the service of notice, appeal to such authority as may be prescribed in the bye-laws and its decision thereon shall be final.

(5) Notwithstanding anything contained in any other law, no compensation shall be payable for any encroachment removed or ejection carried out under this paragraph.

(6) The cost of removal of encroachment or ejection under this paragraph shall be payable to the local government by the encroacher or wrongful occupier, and if the cost is not paid on demand the local government may cause it to be recovered as arrears of land revenue or cause the materials or articles used by the encroacher or the wrongful occupier of encroachment or wrongful occupation to be sold in auction and if the proceeds of the sale are not sufficient to cover the cost the balance shall be recoverable as arrears of land revenue but if such proceeds exceed the cost, the excess shall be paid to the encroacher or the wrongful occupier.

(7) In this paragraph, "encroacher" or "wrongful occupier" shall include a person who owns the materials or articles used for encroachment or wrongful occupation at the time of removal of encroachment or ejection and also any person in possession thereof on his behalf or with his permission or connivance.

### **Food and Markets**

**41. Public markets and slaughter-houses.**— (1) A local government may provide and maintain within its own local area, public markets and public slaughter-houses, in such number as it thinks fit, together with stalls, shops, sheds, pens and other buildings or conveniences for the use of persons carrying on trade or business in or frequenting such markets or slaughter-houses, and may provide and maintain in any such market buildings, places, machines, weights, scales and measures for the weighing or measurement of goods sold therein.

(2) The concerned local government may at any time, by public notice either close or relocate any public market or public slaughterhouse or any part thereof.

**42. Use of public markets.**— (1) No person shall, without the general or special permission for sale by such person be summarily removed from the market by or under the orders of the concerned local government by any officer or servant of the concerned local government authorized by it in this behalf.

(2) Any person contravening the provisions of this paragraph and any animal or article exposed for sale by such person may be summarily removed from the market by or under the orders of the concerned local government by an officer or servant of the concerned local government authorized by it in this behalf.

**43. Levy of stallages, rents and fees.**— A local government may, in respect of public market and public slaughter houses—

- (a) charge for the occupation or use of any stall, shop standing, shed or pen in a public market, or public slaughter-house; or for the right to expose goods for sale in a public market; or for weighing or measuring goods sold therein; or for the right to bring in goods on vehicles or animals or for animals brought for sale or sold; or for the right to slaughter animals in any public slaughter-house; such stallages, rents and fees as it thinks fit; including that from brokers commission agents, and others practicing their calling therein;

- (b) or direct the concerned local government to receive such approved rents and fees leviable as aforesaid or any portion thereof for any period not exceeding one year at a time; or
- (c) put up to public auctions or dispose of by private sale, the privilege of occupying or using any stall, shops, standing, shed or pen in a public market or public slaughter house for such term and on such conditions as it may approve.

**44. Stallages, rents, etc. to be published.**—A copy of the table of stallages, rents and fees, if any, leviable in any public market or public slaughter-house, and of the bye-laws made under this Ordinance for the purpose of regulating the use of such market or slaughter-house, printed in Urdu and in such other language or languages as the local government may direct, shall be affixed in some conspicuous place in the market or slaughter-house.

**45. Private markets and slaughter-houses.**— (1) No place in a local area other than a public market shall be used as a market, and no place in a local area other than a public slaughter-house shall be used as a slaughter-house, unless such place has been licensed as a market or slaughter-house, as the case may be, by the concerned local government.

(2) Nothing in sub-paragraph (1) shall be deemed to restrict the slaughter of any animal in any place on the occasion of any festival or ceremony, subject to such conditions as to prior or subsequent notice as the concerned local government with the previous sanction of the local government may, by public or special notice, impose in this behalf.

**46. Conditions of grant of licence for private market or slaughter-house.**— (1) A local government may charge such fees as approved by its local government for the grant of a licence to any person to open a private market or private slaughter-house and may grant such licence subject to such conditions, consistent with this Ordinance and any bye-laws made thereunder, as it thinks fit to impose.

(2) The concerned local government may refuse to grant any such licence for reasons to be recorded.

**47. Prohibition of keeping market or slaughter-house open without licence, etc.**— (1) No person shall keep open for public use any market or slaughter-house in respect of which a licence therefor is suspended, or after the same has been cancelled.

(2) When a licence to open a private market or private slaughter-house is granted or refused or is suspended or cancelled, the concerned local government shall cause a notice of the grant, refusal, suspension or cancellation to be pasted in Urdu and in such other language or languages as it thinks necessary, in some conspicuous place nearby the entrance of the place to which the notice relates.

**48. Prohibition of using unlicensed market or slaughter-houses.**— No person shall, knowing that any market or slaughter-house has been opened to the public without a licence having been obtained therefor when such licence is required by or under this Ordinance, or that the licence granted therefor is for the time being



suspended or that it has been cancelled, sell or expose for sale any article in such market, or slaughters any animal in such slaughter-house.

**49. Prohibition and restriction of use of slaughter-houses.**— (1) Where, in the opinion of the concerned local government it is necessary on sanitary grounds so to do, it may, by public notice, prohibit for such period, not exceeding one month as may be specified in the notice, or for such further period, not exceeding one month, as it may specify by a like notice, the use of any private slaughter-house specified in the notice, or the slaughter therein of any animal of any description so specified.

(2) A copy of every notice issued under sub-paragraph (1) shall be conspicuously posted in the slaughter-house to which it relates.

**50. Power to inspect slaughter-house.**— (1) Any servant of a local government authorized by order in writing in this behalf by the concerned local government may, if he has reason to believe that any animal has been, is being, or is about to be slaughtered in any place in contravention of the provisions of this Ordinance enter into and inspect any such place at any time, whether by day or by night.

(2) Every such order shall specify the place to be entered and the locality in which the same is situated and the period, which shall not exceed seven days, for which the order is to remain in force.

**51. Power to make bye-laws.**—A local government may make bye-laws consistent with this Ordinance to provide for all or any of the following matters, namely:-

- (a) the days on, and the hours during, which any private market or private slaughterhouse may be kept open for use;
- (b) the regulation of the design, ventilation and drainage of such markets and slaughterhouses, and the material to be used in the construction thereof;
- (c) the keeping of such markets and slaughter-houses and lands and buildings appertaining thereto in a clean and sanitary condition, the removal of filth and refuse therefrom, and the supply therein of pure water and of a sufficient number of latrines and urinals for the use of persons using or frequenting the same;
- (d) the manner in which animals shall be stalled at a slaughter-house;
- (e) the manner in which animals may be slaughtered;
- (f) the disposal or destruction of animals offered for slaughter which are, from disease or any other cause, unfit for human consumption;
- (g) the destruction of carcasses which from disease or any other cause are found after slaughter to be unfit for human consumption;
- (h) any other matter which the concerned local government may consider necessary including any specific exemptions from the application of the bye-laws.

### **Lease and Licences for Land and Buildings**

**52. Lease and licences for land and buildings.**— (1) A local government may grant a licence or lease in respect of any land, open space, building or property

vested in it or managed, maintained or controlled by it on such terms and conditions as may be provided in the bye-laws.

(2) Notwithstanding anything contained in any other law or a subsisting lease or licence, the concerned local government may, after giving a reasonable notice to the person concerned, vary the terms and conditions of any lease or licence of land or buildings or any other property owned, managed, maintained or controlled by it, in such manner and to such extent, as it may deem fit, and may also cancel the lease or licence if the varied terms and conditions are not acceptable to the lessee or the licensee.

(3) If, on the cancellation of any lease or licence under sub-paragraph (2) or on the expiry of the period of any lease or licence or on the determination or cancellation of a lease or licence on the breach of any of the terms and conditions thereof in respect of land or building or any property of which a local government is the lessor or licensor, any lessee or licensee holds on or continues in possession of such land, building or property or if in any case such land or building or property is required for any public purpose, the lessee or licensee on being required to hand over vacant possession within a specified time refuses or fails to vacate that land or building or property, the local government or an officer authorised by it in this behalf may enter upon and take possession of such land, building or other property, and may also demolish and remove the structures, if any, erected or built thereon.

(4) The cost of demolition and removal of structure under sub-paragraph (3) shall be payable to the local government by the lessee or licensee, as the case may be, and if the cost is not paid on demand, the local government may cause the material of the structures demolished and removed to be sold in auction, and if the proceeds of the sale are not sufficient to cover the cost, the balance shall be recoverable as arrears of land revenue, but if such proceeds exceed the cost, the excess shall be paid to the lessee or the licensee as the case may be.

(5) In sub-paragraphs (3) and (4) the lessee and the licensee shall be deemed to include a person who owns the structure at the time of removal or demolition and also any person in possession thereof on his account or with his permission or connivance.

(6) For the purpose of eviction of lessee or licensee under the provisions of this paragraph, an officer authorised by a local government in this behalf may use or cause to be used such force as may be necessary and may seek Magisterial or Police assistance.

(7) If any sum is payable by the lessee or licensee as rent or fee in respect of any land, building or other property on the day of recovery of possession thereof, the same shall be recoverable from him as arrears of land revenue.

### **Licensing: General Provisions**

**53. Power to vary licence.**—If a local government is satisfied that any place used under a licence granted by it under this Ordinance is a nuisance or is likely to be dangerous to life, health or property, the concerned local government may, by notice in writing, require the owner, lessee or occupier thereof to discontinue the use of such place or to effect such alterations, additions, or improvements as will, in the opinion of the concerned local government, render it no longer a nuisance or dangerous.

## **Open Spaces**

**54. Gardens.**— (1) The concerned local government may lay-out and maintain within its local area such public gardens as may be necessary for the recreation and convenience of the public and such public gardens shall be maintained and administered in such manner as the byelaws, may provide.

(2) For every public garden there shall be framed and enforced, in the manner prescribed, a garden development plan, which shall provide for the development and improvement of the garden.

**55. Open spaces.**— The concerned local government may provide and maintain within its local area such open spaces as may be necessary for the convenience of the public and such spaces shall be grassed, hedged, planted and equipped with such amenities and in such manner as the byelaws may provide.

## **Planning**

**56. Spatial plan.**— The concerned local government may draw up spatial (master) Plan for its local area which shall, among other matters, provide for—

- (a) a survey of its local area including its history, statistics, public service and other particulars;
- (b) development, expansion and improvement of any area within the local area;
- (c) restrictions, regulations and prohibitions to be imposed with regard to the development of sites, and the erection and re-erection of buildings within the local area; and
- (d) such other matters as the concerned local government may require to be included in the plan.

**57. Site development schemes.**— (1) Where a Plan has been drawn up and such Plan has been approved, no owner of land exceeding such area as may be specified in this behalf in the Plan so approved shall develop the site or erect or re-erect a building on any plot of land covered by the Plan, except in conformity with the provisions of a site development scheme sanctioned for the area in the manner prescribed.

(2) Where a Plan has not been drawn up, no owner of land shall develop the site or erect or re-erect any building on any plot or land except in conformity with the provisions of the site development scheme sanctioned by the concerned local government.

(3) An owner of land who desires to develop a plot or a piece of land belonging to him for which no sanctioned site development scheme exists, or where the proposed development is not in conformity with the existing development scheme, he may apply to the concerned local government for sanction of his development scheme and the local government may, on such terms and conditions and on payment of such fees or charges as may be laid down by it in its byelaws, sanction the same:

Provided further that the concerned local government may, after giving notice and for reasons to be recorded, cancel, modify or withdraw the sanction any time before construction in pursuance of the scheme has commenced or been made.

- (4) Among other matters, the site development scheme shall provide for—
- (a) the division of the site into plots;

- (b) provision for streets, drains and open spaces;
- (c) reservation of land for public utility services to be transferred to the concerned local government;
- (d) provisions for acquisition of land by the local government, if any;
- (e) the works that shall be executed at the cost of the owners of the site or sites; and
- (f) the period during which the area shall be developed.

(5) The land reserved for public utility services in the Site Development Scheme shall be transferred, free of cost, by the owner or the owners to the local government before the sanction of the scheme. Such land shall not be converted or used for any purpose other than that shown in the same scheme.

**58. Execution of site development schemes.**— (1) The execution of site development scheme shall be subject to the inspection and control of the concerned local government and the local government may from time to time give such directions with regard to the execution of the scheme as may be deemed necessary.

(2) If any area is developed or otherwise dealt with in contravention of the provisions of the sanctioned scheme, the local government may, by notice, require the owner of such area or the person who has contravened the provisions to make such alteration, in the site as may be specified in the notice, and where such alteration is not made or for any reason cannot be carried out, the local government may require and enforce the demolition of unauthorized structure and notwithstanding anything to the contrary contained in any law, no compensation shall be payable for such demolition.

(3) If an area for which a scheme has been sanctioned is not developed within the period provided in the scheme and further extension is not allowed by the local government, or if the development is not in conformity with the terms of the site development scheme, the local government may take over the development of the scheme and execute the necessary works and the cost so incurred shall be deemed to be a tax levied on the owner or owners under this Ordinance.

### **Sanitation**

**59. Insanitary buildings and lands.**— (1) The concerned local government may, by notice, require the owners or occupier of any building or land which is in insanitary or unwholesome state—

- (a) to clean or otherwise put in it in a proper state;
- (b) to make arrangements to the satisfaction of the local government for its proper sanitation; and
- (c) to limewash the building and to make such essential repairs as may be specified in the notice.

(2) If in the opinion of a local government any well, tank, reservoir, pool, depression, or excavation, or any bank or tree, is in a ruinous state or for want of sufficient repairs, protection or enclosure a nuisance or dangerous to persons passing by or dwelling or working in the neighbourhood, the concerned local government may by notice in writing, require the owner or part-owner or person claiming to be the owner or part-owner thereof, or, failing any of them, the occupier thereof to remove the same, or may require him to repair, or to protect or enclose the same in such manner as it thinks necessary; and, if the danger is, in the opinion of the concerned local government imminent, it shall forthwith take such steps as it thinks necessary to avert the same.

**60. Removal, collection and disposal of refuse.**— (1) The concerned local government shall make adequate arrangements for the removal of refuse from all

public roads and streets, public latrines, urinals, drains and all buildings and lands vested in the local government and for the collection and proper disposal of such refuse.

(2) The occupiers of all other buildings and lands within the local area of a local government shall be responsible for the removal of refuse from such buildings and land subject to the general control and supervision of the local government where relevant.

(3) The concerned local government shall cause public dustbins or other suitable receptacles to be provided at suitable places and where such dustbins or receptacles are provided, the concerned local government may, by public notice, require that all refuse accumulating in any premises or land shall be deposited by the owner or occupier of such premises or land in such dustbins or receptacles.

(4) All refuse removed and collected by the staff of a local government or under their control and supervision and all refuse deposited in the dustbins and other receptacles provided by the local government shall be property of the local government.

(5) The concerned local government may, by notice issue directions at which the manner in which and the conditions subject to which, any matter referred to in this paragraph may be carried out.

**61. Latrines and urinals.**— (1) The concerned local government shall provide and maintain in sufficient number and in proper situations public latrines and urinals for the separate use of each sex, and shall cause the same to be kept in proper order and to be regularly and properly cleaned.

(2) A local government may, by notice in writing:-

(a) require any person having the control whether as owner, lessee or occupier of any land or building—

(i) to close any cesspool appertaining to the land or building which is, in the opinion of the concerned local government a nuisance; or

(ii) to keep in a clean condition, in such manner as may be prescribed by the notice, any receptacle or filth or sewage accumulating on the land or in the building; or

(iii) to prevent the water of any private latrine, urinal, sink or bath-room or any other offensive matter, from soaking, draining or flowing, or being put, from the land or building upon any street or other public place or into any water-course or other specified waterbody or into any drain not intended for the purpose; or

(iv) to collect and deposit for removal by the conservancy establishment of the concerned local government within such time and in such receptacle or place, situated at not more than thirty five meters from the nearest boundary of the premises, as may be specified in the notice, any offensive matter or rubbish which such person has allowed to accumulate or remain under, in or on such building or land; or

(b) require any person to desist from making or altering any drain leading into a public drain; or

(c) require any person having the control of a drain to cleanse, purify, repair or alter the same, or otherwise put it in good order, within such time as may be specified in the notice.

(3) Where any premises are without privy or urinal accommodation, or without adequate privy or urinal accommodation, or the privy or urinal is on any

ground objectionable, the concerned local government may, by notice, require the owner or occupier of such premises—

- (a) to provide such or such additional privy or urinal accommodation as may be specified in the notice;
- (b) to make such structural or other alteration in the existing privy or urinal accommodation as may be so specified;
- (c) to remove the privy or urinal; and
- (d) where there is any underground sewerage system to substitute connected privy or connected urinal accommodation for any service privy or service-urinal accommodation.

(4) In case the owner or occupier of any building or land who has been served notice under sub-paragraph (3), fails to make arrangements to the satisfaction of the concerned local authority for the matter referred to in this paragraph, the concerned local government may undertake such roles and the cost so incurred shall be deemed to be a tax levied under this Ordinance on the owner or occupier.

**62. Private latrines.**—The concerned local government may, by notice in writing,—

- (a) require the owner or other person having the control of any private latrine or urinal not to put the same to public use; or
- (b) where any plan for the construction of private latrines or urinals has been approved by the concerned local government and copies thereof may be obtained free of charge on application,—
  - (i) require any person repairing or constructing any private latrine or urinal not to allow the same to be used until it has been inspected by or under the direction of the concerned local government and approved by it as conforming with such plan; or
  - (ii) require any person having control of any private latrine or urinal to re-build or alter the same in accordance with such plan; or
- (c) require the owner or other person having the control of any such private latrine or urinal which, in the opinion of the concerned local government constitutes a nuisance, to remove the latrine or urinal; or
- (d) require any person having the control whether as owner, lessee or occupier of any land or building—
  - (i) to have any latrines provided for the same covered by a sufficient roof and wall or fence from the view of persons passing by or dwelling in the neighbourhood, or
  - (ii) to keep such latrine or urinal in proper state to the satisfaction of the concerned local government and shall employ such staff for the purpose as may be necessary or as may be specified by the local government.
- (e) require any person being the owner and having the control of any drain to provide, within ten days from the service of the notice, such covering as may be specified in the notice.

**63. Bathing and washing places.**— (1) The concerned local government may from time to time—

- (a) set apart suitable places for use by the public for bathing;
- (b) specify the time at which and the gender of persons by whom such places may be used; and
- (c) prohibit by public notice, the use by the public for any of the said purposes of any place not so set apart.

(2) No person shall establish, maintain or run a hamam or a bath for public use except under a licence granted by the concerned local government, and in conformity with the conditions and terms of such licence.

### **Registration of Births and Deaths**

**64. Births and deaths.**— The concerned local government shall register all births and deaths within the limits of its local area and information of such births and deaths shall be given by such persons or authorities, and shall be registered in such manner, as the byelaws may provide.

### **Social Welfare and Community Development**

**65. Social welfare.**— (1) The concerned local government may—

- (a) establish, manage and maintain welfare homes, asylums, orphanages, widow homes and other institutions for the relief of the distressed;
- (b) provide for the burial or cremation of unidentified dead bodies within its local area at its own expense;
- (c) adopt such measures as may be specified by Government for the prevention of beggary, prostitution, gambling, taking of injurious drugs and consumption of alcoholic liquor, juvenile delinquency and other social evils;
- (d) organize social service volunteers; and
- (e) adopt such measures as may be prescribed for the promotion of the welfare of backward classes, families of the persons serving in the armed forces, women and children.

### **Streets and Street Lighting**

**66. Public streets.**— (1) The concerned local government shall provide and maintain such public streets and other means of public communications as may be necessary.

(2) The concerned local government shall, in the manner prescribed, prepare and execute a road maintenance and development programme.

**67. Streets.**— (1) No new street shall be laid out except with the previous sanction of the concerned local government and in conformity with the terms and conditions of such sanction.

(2) All streets other than public streets shall be maintained in such manner as the byelaws may provide.

(3) The concerned local government may, by notice, require that any street may be paved, metalled, drained, channeled, approved or lighted in such manner as may be specified and in the event of default, the local government may have the necessary work done through its agency and the cost so incurred shall be deemed to be a tax levied on the person concerned under this Ordinance.

(4) Government may prescribe the manner in which a street other than a public street may be converted into a public street.

**68. Street lighting and electrification.**— (1) The concerned local government shall take such measures as may be necessary for the proper lighting of the public streets and other public places vested in the local government by oil, gas, electricity, solar or such other illuminant as the local government may determine.

(2) The local government shall also provide or cause to be provided electricity in coordination with the concerned department to its local area for public and private purposes.

(3) The concerned local government may frame and enforce street lighting and electrification schemes.

**69. Street watering.**— The concerned local government shall take such measures as may be necessary for the watering of public streets for the comfort and convenience of the public, and may, for this purpose, maintain such vehicles, staff and other apparatus as may be necessary.

**70. Provision of washing places.**— (1) A local government may provide suitable places for the exercise by washermen of their calling, and may require payment of such fees as may be prescribed by the local government.

(2) Where the concerned local government has provided such places as aforesaid it may, by public notice, prohibit the washing of clothes by washermen at any other place within that part of the local area:

Provided that such prohibition shall not be deemed to apply to the washing by a washerman of his own clothes or of the clothes of any other person who is an occupier of the place at which they are washed.

**71. Public ferries.**— (1) The concerned local government may, by byelaws, provide for the licensing of boats and other vessels plying for hire in a public watercourse and may specify the terms and conditions for the grant of licences and the fees to be charged therefor.

(2) Government may declare any part of the public watercourse to be a public ferry and may entrust the management thereof to the concerned local government which shall manage and operate the public ferry in such manner and levy such toll as may be necessary.

#### **Water Supply**

**72. Water supply.**— (1) The concerned local government shall provide or cause to be provided to its local area a supply of wholesome water sufficient for public and private purposes.

(2) Where a piped water supply is provided, the concerned local government shall supply water to private and public premises in such manner and on payment of such charges as the byelaws may provide.

**73. Private source of water supply.**— (1) All private sources of water supply within the local area of the concerned local government shall be subject to control, regulation and inspection by the local government.

(2) No new well, water-pump or any other source of water for drinking purposes, shall be dug, constructed or provided except with the sanction of the concerned local government.

(3) The concerned local government may, by notice, require the owner or any person having the control of any private source of water supply used for drinking purposes—

(a) to keep the same in good order and to clean it from time to time of silt, refuse and decaying matter;

(b) to protect the same from contamination in such manner as the local government directs; and

(c) if the water therein is proved to the satisfaction of the local government to be unfit for drinking purposes, to take such measures as may be specified in the notice to prevent the use of such water for drinking purposes.

**74. Public watercourses.**— (1) The concerned local government may, with the previous sanction of the Government, declare any source of water, river, spring, tank, pond or public stream, or any part thereof within its local area, which is not private property, to be a public watercourse.



(2) The concerned local government may, in respect of any public watercourse, provide such amenities, make such arrangements for lifesaving, execute such works, and subject to the provisions of any law for the time being in force relating to irrigation, drainage and navigation, regulate the use thereof, as the byelaws may provide.

**75. Tanks, ponds and low-lying areas.**— The concerned local government may take such steps with regard to the excavation or re-excavation of tanks and ponds and the reclamation of low-lying areas as it thinks fit or, as the case may be, Government directs.

**EIGHTH SCHEDULE**  
[see sections 172, 178]

**OFFENCES REQUIRING TRIAL BY A COURT**

**PART-I**

- | <b>Sr.#</b> | <b>Offence</b>  |
|-------------|---|
| 1.          | Failure of industrial or commercial concerns to provide adequate and safe disposal of affluent or prevention of their mixing up with the water supply or sewerage system; or<br><br>Discharging any dangerous chemical, inflammable, hazardous or offensive article in any drain, or sewer, public water course or public land vested in or managed, maintained or controlled by the local government in such manner as causes or is likely to cause danger to persons passing by or living or working in neighbourhood, or risk or injury to property. |
| 2.          | Development of a private housing scheme: without approval of a local government; or on a non-conforming use.  |

**PART-II**

- | <b>Sr. #</b> | <b>Offence</b>   |
|--------------|--|
| 3.           | Overcharging or illegally charging any tax, fee, fine, charge or rate by an employee of a local government or a contractor or his staff without the authority of a local government.   |
| 4.           | Preparing or using counterfeit or prescribed Forms of the local government.  |
| 5.           | Willfully obstructing any officer or servant of a local government or any person authorized to exercise power conferred under this Ordinance.  |
| 6.           | Failure to deliver back possession of property to the local government on cancellation and expiration of lease.  |
| 7.           | Doing an act without license or permission when the doing of such act requires a license or permission under any of the provisions of this Ordinance or the rules or bye-laws.   |
| 8.           | Evasion of payment of tax or other impost lawfully levied by a local government.   |
| 9.           | Supplying or marketing drinking water for human consumption in any form, from any source which is contaminated or suspected to be dangerous to public health, or its use has been prohibited by a local government on the ground of being unsafe for human consumption, or whose quality and suitability for human consumption has not been ascertained and certified by a |

laboratory authorized by the Government.

10. Cultivation of agriculture produce or crop, for supply or sale to public using such manure, or irrigating it with sewer water or any such liquid as may be injurious to public health or offensive to the neighbourhood.
11. Violation of the prohibitions provided in the Master Plan, the sanctioned Site Development Schemes under this Ordinance or any other law for the time being in force including the plans and schemes sanctioned under the repealed enactments.
12. Immovable encroachment in or on or under any property or any open space or land vested in or managed, maintained or controlled by a local government.
13. Erection or re-erection of building over set back area or parking area or building line area required to be left open under the rules for using such space for any purpose which is not approved.
14. Changing or converting into any other use any portion of a commercial building or area specified or earmarked for public parking.
15. Failure to demolish or otherwise secure a building declared by the local government to be dangerous building.
16. Establishing any parking stand on any property or on any open space and public park or land vested in or managed, maintained or controlled by a local government on or under a street, road, graveyard or a drain without the sanction of the concerned local government.
17. Quarrying, blasting, cutting timber or carrying building operations in such manner as causes or is likely to cause danger to persons passing by or living or working in the neighbourhood.
18. Erection or re-erection of a building without the sanction required under this Ordinance or using a building for a purpose which may endanger the security of people.
19. Dyeing or tanning skins within such distance of any commercial or residential areas as may be specified by the local government.
20. Dumping of solid waste and refuse by any person or entity on a place other than landfill or dumping site, notified or designated by the concerned local government.
21. Contravention of the prohibition or attempt or abetment of any of the offences in this Part

### PART-III

**Sr.#      Offence**

22.      Establishing any cattle market without permission of the local government.
23.      Establishing any bus, wagon, taxi or other commercial motorized or non-motorized vehicle stand, for purposes of plying them on different routes, on any road, street, footpath, public place or any other property vested or managed or controlled or maintained by a local government without its permission.
24.      Establishing or running any restaurant or vending stalls for eatables on any road, street, footpath, public place, over a drain, or any other property vesting in or managed or controlled or maintained by a local government without its permission.
25.      Establishing a brick kiln and lime kiln within such distance of a residential area as may be specified by the local government.
26.      Cutting down of any tree, or erection or demolition of any building or part of a building where such action is declared under this Ordinance to be a cause of danger or annoyance to the public.
27.      Contravention of the prohibition or attempt or abetment of any of the offences in this Part.

**NINTH SCHEDULE**  
[see sections 172, 174]

**OFFENCES WHERE TICKET CAN BE ISSUED**

<b>Sr.#</b>	<b>Offence</b>	<b>Amount of Fine</b>
1.	Fixing of wooden <i>khokhas</i> , and temporary shops or extension thereof on footpaths or beyond the street line.	Rs.4,000
2.	Plying of handcarts for the sale of goods without permission.	Rs.500
3.	Failure by the owner or occupier of any land to clear away and remove any vegetation declared by a local government to be injurious to health or offensive to neighbourhoods.	Rs.1,000
4.	Slaughtering of animals for the sale of meat at a place other than the place set apart for the purpose.	Rs.4,000
5.	Without the permission of the local government, causing or knowingly or negligently allowing the contents of any sink, sewer or cesspool or any other offensive matter to flow, or drain or to be put upon any street, or public place, or into irrigation channel or any sewer or drain not set apart for the purpose.	Rs.10,000 in case of industrial concerns, Rs.5,000 in case of commercial concerns and Rs.2,000 for others.
6.	Keeping or maintaining any cattle in any part of the prohibited zone or failure to remove the cattle from the prohibited zone within the specified time when an order to this effect has been made.	Rs.5,000
7.	Keeping ferocious dogs or other animals in residential areas or taking such animals to public places or the areas specified by the local government, without leash or chain and without being muzzled or to set at large any animal or dog infected with rabies or any other infectious disease.	Rs.10,000
8.	Obstructing or tampering with any road, street, drain or pavement.	Rs.5,000
9.	Obstructing or tampering with any main pipe, meter or any apparatus or appliance for the supply of water or sewerage system.	Rs.5,000
10.	Without the previous sanction of the local government: 1. laying out a drain or altering any drain in a street or road;	Rs.5,000

2. connecting any house drain with a drain in a public street; and
3. drawing off, diverting or taking any water except with the permission required under this Ordinance.
11. Without prior permission of the local government, excavation of earth, stone or any other material within such distance of the residential area as specified by the local government. Rs.5,000
12. Burying or burning a dead body at a place which is not a public or registered burial or burning place, except with the sanction of the local government. Rs.5,000
13. Failure to furnish, on requisition, information in respect of any matter which a local government is authorized to call for under any of the provisions of this Ordinance, rules or bye-laws or furnishing wrong information. Rs.5000
14. Obstructing lawful seizure of animals liable to be impounded on the ground of violations of rules or by-laws governing the picketing, tethering, keeping, milching or slaughter of animals or their trespass of private or public property. Rs.5,000
15. Picketing, parking animals or collecting carts or vehicles on any street, using any street as a halting place for vehicle or animals or as a place encampment without the permission of the local government. Rs.1,000
16. Causing or permitting animals to stray or keeping, tethering, stalling, feeding or gazing any cattle on any road, street or thoroughfare or in any public place or damaging or causing or permitting to be damaged any road, street or thoroughfare by allowing cattle to move thereon. Rs.1,000
17. Disposal of carcasses of animals within prohibited distance. Rs.5,000
18. Failure to dispose of offal, fat or any organ or part of a dead animal in a place set apart for the purpose by the local government. Rs.3,000
19. Throwing or placing any refuse, litter or garbage on any street, or in any place, not provided or appointed for the purpose by a local government. Rs.1,000
20. Failure to provide for disposal of litter or garbage inside or outside a shop by its owner or occupier. Rs.1,000

21. Failure to maintain clean premises of the area in front of a shop, office or factory up to the public street or road serving this facility. Rs.2,000
22. Watering cattle or animals, or bathing or washing at or near a well or other source of drinking water for the public. Rs.1,000
23. Steeping hemp, jute or any other plant in or near a pond or any other excavation within such distance of the residential area as may be specified by a local government. Rs.2,000
24. Failure to provide, close, remove, alter, repair, clean, disinfect or put in proper order any latrine, urinal drain, cesspool or other receptacle for filth, sullage, water or refuse by an owner or occupier of a house, shop, office, industry or premises. Rs.5,000 in case of industrial concerns, Rs.3,000 in case of commercial concerns and Rs.2,000 for others.
25. Failure to clean the premises, houses, shops and cultivated lands of the plastic bags and other non-perishable materials. Rs.1,000
26. Damaging or polluting physical environment, inside or outside private or public premises, in a manner to endanger public health. Rs.4,000 for public premises and Rs.1,000 for private premises
27. Failure by the owner or occupier of any land to cut or trim the hedges growing thereon which overhang any well, tank or other source from which water is derived for public use. Rs.1,000
28. Failure by the owner or occupier of any land or building to clean, repair, cover, fill up or drain off any private well, tank or other source of water supply, which is declared under this Ordinance to be injurious to health or offensive to the neighbourhood. Rs.2,000
29. Failure to stop leakages of water pipes, faucets and sanitary fittings resulting in dirty water pools affecting physical environments and breeding of mosquitoes. Rs.2,000
30. Failure of an owner or occupier of any building or land to put up and keep in good condition troughs and pipes for receiving or carrying water or sullage water. Rs.2,000
31. Defacing or disturbing, without due authorization, any direction-post, lamp post or lamp extinguishing or any light arranged by a local government. Rs.2,000
32. Fixing any bill, notice, playcard, poster or other paper Rs.10,000

or means of advertisement against or upon any private or public building or place other than the places fixed for the purpose by a local government.

- |     |   |   |
|-----|---|---|
| 33. | Exhibiting any obscene advertisement.   | Rs.20,000   |
| 34. | Loud playing of music or radio, beating of drum or tom-tom, blowing a horn or beating or sounding any brass or other instruments or utensils in contravention of any general or special prohibition issued by a local government or in and around a hospital or an educational institution. | Rs.5,000  |
| 35. | Loud shouting in abusive language causing distress to the inhabitants of a neighbourhood or Village or any other public place.  | Rs.2,000  |
| 36. | Using or allowing the use for human habitation of a building declared by a local government to be unfit for human habitation.   | Rs.2,000  |
| 37. | Failure to lime-wash or repair a building, if so required by local government.  | Rs.2,000  |
| 38. | Begging importunately for alms by exposing any deformity or disease or any offensive sore or wound to solicit charity.  | Rs.1,000  |
| 39. | Causing or permitting to be caused by any owner or keeper of an animal which, through neglect or otherwise, damages any land or crop or produce of land, or any public road.  | Rs.2,000  |
| 40. | Selling cattle and animals in contravention of any law, rule or by-laws of a local government.  | Rs.2,000  |
| 41. | Digging of public land without the permission in writing of local government.   | Rs.2,000  |
| 42. | Contravention of any prohibition or direction of the local government issued under this Ordinance or the rules.   | Rs.1,000  |
| 43. | Attempt or abetment of any of the offence in this Schedule.   | Same as for the offence specified in the Schedule |



**TENTH SCHEDULE**  
[see sections 172, 174]

**FORM OF TICKET**

Name & Address of the Offender: <hr/>	Name & Address of the Offender: <hr/>	Name & Address of the Offender: <hr/>	Name & Address of the Offender: <hr/>
NIC No. <hr/>	NIC No. <hr/>	NIC No. <hr/>	NIC No. <hr/>
Particulars of Offence:(Section of Law with details of offences: <hr/>	Particulars of Offence:(Section of Law with details of offences: <hr/>	Particulars of Offence:(Section of Law with details of offences: <hr/>	Particulars of Offence:(Section of Law with details of offences: <hr/>
Date of commission of Offence: Amount of Fine: Rs. <hr/>	Date of commission of Offence: Amount of Fine: Rs. (in letters) Date by which the Fine is to be paid <hr/>	Date of commission of Offence: Amount of Fine: Rs. (in letters) Date by which the Fine is to be paid <hr/>	Date of commission of Offence: Amount of Fine: Rs. (in letters) Date by which the Fine is to be paid <hr/>
<i>(Note: The amount of fine shall be deposited in Bank)</i> Corrective actions ordered: <hr/>	<i>(Note: The amount of fine shall be deposited in Bank)</i> Corrective actions ordered: <hr/>	<i>(Note: The amount of fine shall be deposited in Bank)</i> Corrective actions ordered: <hr/>	<i>(Note: The amount of fine shall be deposited in Bank)</i> Corrective actions ordered: <hr/>
Name of the Court having jurisdiction: <hr/>	Name of the Court having jurisdiction: <hr/>	Name of the Court having jurisdiction: <hr/>	Name of the Court having jurisdiction: <hr/>
Signature or Thumb Impression of the Offender: <hr/>	Signature or Thumb Impression of the Offender: <hr/>	Signature or Thumb Impression of the Offender: <hr/>	Signature or Thumb Impression of the Offender: <hr/>
Signatures of Inspector/ Seal <hr/>	Signatures of Inspector/ Seal <hr/>	Signatures of Inspector/ Seal <hr/>	Signatures of Inspector/ Seal <hr/>
<i>Copy-1 (To be retained by Inspector)</i>	<i>Copy-2 (To be retained by Offender on payment of fine)</i>	<i>Copy-3 (To be returned to Inspector by offender after payment within ten days)</i>	<i>Copy-4 (To be sent by the Bank to the local Accounts Officer)</i>