

Financial Related Sections and clauses

EXCERPTS FROM KARNATAKA GRAM SWARAJ & PANCHAYAT RAJ ACT

3E. Gram Sabha –

1. The Gram Sabha shall be the basic unit of self-government at the village level to ensure the direct participation of all the citizens of the village in the planning, implementation, monitoring and evaluation of all economic, social, cultural and environmental development Programmes and all central, state and district sector and Government schemes implemented in the Gram Panchayat.
2. The functions of Gram Sabha within their respective jurisdiction, shall be to assist the Gram panchayat and shall also include the following functions namely,-
 - a. to conduct surveys or participate in rural appraisals to collect essential socio-economic data and assess the needs of residents and their requirements for the development of the village in order to enable the Gram Panchayat to compile and draw up a vision plan;
 - b. prioritise the location of installation of street lights, providing community water taps, public wells, public sanitation units, irrigation facilities and such other public amenity schemes and to identify the deficiencies and suggest the remedial measures and to report the satisfactory completion of the work, after considering the suggestions of the Habitation sabhas;
 - c. to ensure that all plans are beneficial to all sections of the population especially the vulnerable sections and migrant labour;
 - d. to approve subject to availability of funds plans, programmes and projects for social and economic development after considering the needs and suggestions of the Habitation sabhas and Ward Sabhas before such plans, programmes and projects are taken up for implementation by the Gram Panchayat;
 - e. to generate consolidated proposals by determining the priority of all schemes and development programmes to be implemented in the panchayat area as per the 'Priority Ranking' method after considering the needs, recommendations and suggestions of the each of the Habitation sabhas and Ward Sabhas; and
 - f. to identify and select the most eligible persons from the Panchayat area under beneficiary oriented schemes on the basis of criteria fixed by the Gram Panchayat, Taluk Panchayat, Zilla panchayat or Government and prepare a list of beneficiaries in the order of priority as per the 'Priority Ranking' method after considering the needs, recommendations and suggestions of the Habitation sabhas and Ward Sabhas and send the same to the Gram Panchayat for inclusion in its development plan in the order of priority sent by the Habitation sabhas and Ward Sabhas. Such list shall be binding on the concerned Gram Panchayat, Taluk Panchayat, Zilla Panchayat or Government as the case may be.
3. The Gram Sabha shall support all activities of the Gram Panchayat in implementing the plans and schemes by
 - a. providing voluntary labour and contributions in cash or kind or both for development works and

to supervise such development works through volunteer teams;

- b. assisting the functionaries of the Gram Panchayat in providing sanitation arrangements in the panchayat area and mobilizing voluntary service to create clean and hygienic environment free from open defecation and in the removal of garbage in the area of the village;
- c. promoting programmes of adult education, increasing literacy, family counseling, character building and de-addiction of liquor, narcotic drugs among the youth, adults and senior citizens and education levels within the area of village
- d. ensuring that no traditional, social and religious practices that denigrate the rights, dignity and freedom of any individual, especially women and children from the scheduled castes and the scheduled tribes and all weaker sections, are performed in the village
- e. assisting in the activities of school betterment committees, Anganwadis, Mahila Samaja, Youth associations, self-help groups and organisations working for the development of the scheduled castes and the scheduled tribes, other backward classes, senior citizens, the differently abled, women, children and youth in the panchayat area
- f. coordinating the activities of public health centre's in the panchayat area, especially in prevention of disease and promotion of family welfare, population control and prevention of cattle diseases and report the incidence of epidemics and natural calamities immediately to the concerned functionaries
- g. persuading members of the Gram Sabha to pay taxes and other dues and repay loans

4. The Gram Sabha Shall

- a. ensure social justice especially for people of the vulnerable sections of the society to exercise their rights in a free and fair manner and suggest measures to the Gram Panchayat and their elected members or officials of the departments, or both, so that appropriate action is taken to protect them from abuse and exploitation
- b. organize cultural festivals, literary activities and sporting events that promote and nurture local games, athletics, the literature, arts and culture of the area and provide opportunities for the residents to express their talents; and
- c. impart awareness among the citizens in matters of public interest such as cleanliness, preservation of the environment and ecology, prevention of public nuisance, pollution and ensure public peace, safety and security of all people within the area of the village
- d. spread awareness on issues of water conservation, preservation of natural surroundings and recycling of bio-degradable waste
- e. promote at village level, small and medium industries, businesses and commercial enterprises in discussion with associations of women, youth and senior citizens and provide training and capacity building opportunities for employment and present proposals before the Gram Panchayat
- f. conserve and maintain public properties such as gomaala, pasture lands, tanks, tank beds, ground water sources, roads, bridges, mines etc., within the area of the gram panchayat
- g. promote the revival and growth of folk arts, handicrafts, home and cottage industries in the village area
- h. ensure the safety, security and freedom of the residents of the village

- i. be able to safeguard and preserve the traditions and customs of the people, their cultural identity, community resources and the customary mode of dispute resolution
- j. initiate action to prevent discrimination among people on the basis of caste, creed, religion and gender and
- k. report concerned authorities activities of illegal money lending in the panchayat area and inform the Gram Panchayat for taking necessary action

5. The Gram Sabha may

- a. discuss and prepare the budgetary provisions, the details of plan outlay and the subject wise allocation of funds and also the details of the estimate and cost of materials of the works executed or proposed to be executed in the village area in a special meeting of all the Gram Sabhas in the month of October each year
- b. discuss and prepare the annual statement of accounts of the preceding financial year, the last audit report and replies thereto and the panchayat jama-bandi report, action taken, in a special meeting of all the Gram Sabhas in the month of April each year

6. Gram Sabha may get information from

- a. the Gram Panchayat on the rationale of every decision of the Gram Panchayat concerning the panchayat area
- b. the Gram Panchayat on the follow up action taken on the decisions of the Gram Sabha; and
- c. the officers of the Gram Panchayat as to the services they will render and the works proposed to be done during the next six months after the meeting of the Gram Sabha;

7. The decisions, views, recommendations or suggestions taken at the meetings of the Gram Sabhas shall be communicated to the Gram Panchayat for implementation subject to availability of funds and guidelines issued by the Government. The priorities set by the Gram Sabha normally shall not be changed.

199. Levy of taxes, rates etc, by Grama Panchayats.

(1) Every Grama Panchayat shall in such manner and subject to such exemptions as may be prescribed and not exceeding the maximum rate specified in Schedule IV levy tax upon buildings and lands which are not subject to agricultural assessment, within the limits of the panchayat area:

Provided that where an owner of the building or land has left the Panchayat area or cannot otherwise be found, the occupier of such building or land shall be liable for the tax leviable on such owner.

(2) A Grama Panchayat may levy water rate for supply of water for drinking and other purposes.

(3) A Grama Panchayat may also levy all or any of the following taxes and fee at such rates as the Grama panchayat may by bye-laws determine but not exceeding the maximum specified in Schedule IV and in such manner and subject to such exemptions as may be prescribed, namely:-

- (a) tax on entertainment other than cinematograph shows;
- (b) tax on vehicles, other than motor vehicles;
- (c) tax on advertisement and hoardings;

- (d) pilgrim fee on person attending the jatras, festivals, etc., where necessary arrangements for water supply, health and sanitation are made by the Grama Panchayats;
- (e) market fee on persons who expose their goods for sale in any market place;
- (f) fee on the registration of cattle brought for sale in any market place;
- (g) fee on buses and taxies and auto-stands provided adequate facilities for the travelers by the Grama panchayat; and
- (h) fee on grazing cattle in the grazing lands.
- (i) tax and fee shall be as specified in Schedule IV
- (j) Such other fees as may be prescribed

199A. Revision of taxes and rates,– The Gram panchayat may revise the taxes and rates leviable under section 199, at least once in two years in respect of building and lands and at least once in a year on other items, specified in schedule IV.

200. Recovery of taxes and other dues.- (1) When any tax, cess, rate or fee becomes due, Grama Panchayat shall, with the least practicable delay, cause to be presented to the person liable for the payment thereof a bill for the amount due from him, specifying the date on or before which amount shall be paid.

(2) If any person fails to pay any tax or fee or any other sum due to the Grama Panchayat under this Act or the rules or bye-laws on or before the specified date of payment the Grama Panchayat shall cause a notice of demand in the prescribed form to be served on the defaulter.

(3) The presentation of every bill under sub-section (1) and the service of every notice of demand under sub-section (2), shall be effected by the [Panchayat development Officer] or an officer duly authorised by him in this behalf,-

- (a) by giving or tendering the bill or notice to the person to whom it is addressed; or
- (b) if such person is not found, by leaving the bill or notice at his last known place of abode, if within the limits of the panchayat area or by giving or tendering the bill or notice to some adult member or servant of his family; or
- (c) if such person does not reside within the limits of the panchayat area and his address elsewhere is known to the person directing the issue of the bill or notice, then by forwarding the bill or notice to such person by registered post, under cover bearing the said address; or
- (d) if none of the means aforesaid be available then by causing the bill or notice to be affixed on some conspicuous part of the building or land, if any, to which the bill or notice relates.

(4) If the tax, rate, fee or other amounts for which a notice of demand has been served is not paid within thirty days from the date of such service, the Grama Panchayat may recover the amount due along with a penalty of ten percent of the sum due, by the distraint and sale of the movable property of the defaulter in the prescribed manner.

(5) Fees for,-

- (a) every distraint made under sub-section (4);
- (b) every notice of demand issued under sub-section (2);
- (c) the cost of maintaining any live-stock seized under sub-section(4), shall be chargeable at such rates as may be prescribed.

(6) Notwithstanding anything contained in the foregoing sub-sections, any tax, rate or fee payable to a Grama panchayat shall be recoverable as an arrears of land revenue.

(7) Recovery of taxes due to the Gram Panchayat excluding the arrears in sub section 6, shall be primary obligation of the panchayats and where such recovery falls short of 80% of the tax recoverable the panchayat shall, investigate the reason for short fall and take necessary action.

201. Appeal against assessment, etc.- Subject to such rules as may be prescribed, any person aggrieved by the assessment, levy or imposition of any tax, rate or fee under section 199 may appeal to the prescribed authority, whose decision shall be final.

202. Composition of taxes in factory areas.- (1) Subject to such rules as may be prescribed, when the owner of any industry or factory established in any panchayat area provides sanitary and other amenities for the buildings and land used for the industry or as factory quarters for employees and for other purposes connected with the undertaking the Grama Panchayat may in lieu of the taxes, rates or fees, payable under this Act in respect of such buildings and lands receive such amount annually as may be agreed upon between the Grama panchayat and such owner.

(2) Where no such agreement as is referred to in sub-section (1) can be reached the matter may be referred to the [Chief Executive Officer] and the [Chief Executive Officer] may, after giving to the Grama panchayat and the owner concerned an opportunity of being heard, determine the amount payable by such owner and such determination shall be binding on the Grama Panchayat and such owner. [The Chief Executive Officer shall settle the matter within three months from the date of receipt of such reference and before making such reference such owners shall pay compulsorily fifty percent of the rates or tax or fee in question to the Grama Panchayat and the Chief Executive Officer shall accept the reference only after such payment of fifty percent of rates or tax or fees]

(3) The [Government] may by notification direct that the provisions of sub-section(1) shall be applicable to such other establishments as may be specified in such notification.

203. Agency for collection.- The tax, rate, fee or other amount payable to the Grama Panchayat may be collected by such agency as the Panchayat may appoint in this behalf, provided that it shall be lawful for a Grama panchayat to lease the right to levy and collect any tax, rates, fees or other amount that may be imposed under this Act, by public auction or by tender, subject to the rules prescribed and the amount due under such lease shall be recoverable in the manner provided in this chapter.

204. Levy of local cess etc.,- (1) The Government may levy a local cess at the rate equal to the land revenue on all items of land revenue.

(2) The provision of the Karnataka Land Revenue Act, 1964 (Karnataka Act 12 of 1964) and the rules, notifications and orders made there under shall be applicable for payment and recovery of the local cess levied under this section as if the local cess is in addition to the land revenue payable in respect of the land concerned.

(3) The entire amount collected under sub-section (1) from a panchayat area shall be passed on to the Grama Panchayat of that area

205.[Duty on transfer of immovable properties] :- (1) The duty of transfer of immovable property shall be levied in the form of a surcharge at the rate of three percent of the duty imposed by the Karnataka Stamp Act, 1957 on instruments of sale, gift, mortgage, exchange and lease in perpetuity, of immovable property situated within the limits of the area of a Taluk Panchayat:]

Provided that no [duty on transfers] is leviable in respect of a mortgage where the Amount secured by a mortgage does not exceed two thousand rupees:

Provided further that no [duty on transfers] shall be chargeable in respect of any instrument exempt from stamp duty under the Karnataka Stamp Act, 1957.]

(2) The Government may, by notification, specify the rate of [duty on transfers] leviable under sub-section (1), from time to time.

(3) On the introduction of the [duty on transfers], section 28 of the Karnataka Stamp Act, 1957 shall be read as if it specifically required the particulars to be set forth separately in respect of the property situated within and without the limits of a taluk.

(4) The entire amount collected under sub-section (1) as [duty on transfers] in respect of the lands and other properties situated in the taluk shall be passed on to the Taluk Panchayats in the State in proportion to the population of the taluk.

(5) The Government may make rules for regulating collection of [duty on transfers] and the payment thereof.

206. Grant to Grama Panchayats.- [1] The Government shall make annually [a grant of such amount as it may notify from time to time, but not less than five lakh rupees] to each Grama Panchayat which shall be utilised for meeting the electricity charges, maintenance of water supply schemes, sanitation and other welfare activities. No part of this grant shall be spent towards establishment expenses not related to the aforesaid purposes.

(2) **Subject to the availability of funds, Government shall allocate such percentage of grants to the Panchayats as may be determined by State Finance Commission out of which twenty per cent shall be Untied Grants.**

(3) The manner of allocation of grants towards Special Component Plan and tribal Sub-plan to be based on population of scheduled caste and scheduled tribe in the Grama Panchayat area.

207. Establishment grant to Taluk Panchayats and Zilla Panchayats.- The Government shall make a grant to every Taluk Panchayat and Zilla Panchayat to cover the expenses of establishment at such scale as may be determined by it.

208. Discretionary grant.- The Government may make discretionary grant to the Grama panchayats, Taluk Panchayats and Zilla Panchayats for such purposes and on such terms and conditions as may be decided by it.

209. Grama Panchayat may acquire, hold and dispose of property, etc.,- The power of the Grama Panchayat to acquire, hold and dispose of property both movable and immovable whether within or without the limits of the area over which it has authority, to lease, sell or otherwise transfer any movable or immovable property which may have become vested in or been acquired by it, and to contract and to do all other things necessary for the purpose of this Act, shall be subject to the rules made by the Government in this behalf:

[Provided that twenty –five percent of transfer of properties by way of lease or rent shall be earmarked for persons belonging to the Scheduled Castes and Scheduled Tribes.]

210. Vesting of property in Grama Panchayat.- (1) It shall be competent for the Government, a Zilla Panchayat or Taluk Panchayat with the concurrence of the Grama Panchayat from time to time to direct that any property vesting in the Government, Zilla Panchayat or Taluk Panchayat, as the case may be, shall vest in the Grama Panchayat either conditionally or otherwise:

Provided that no lease, sale or other transfer of any such immovable property by the Grama Panchayat shall be valid without the previous sanction, of the Government, the Zilla Panchayat or the Taluk Panchayat, as the case may be.

(2) Every work constructed by a Grama Panchayat out of the Grama Panchayat fund shall vest in such Grama Panchayat:

Provided that, the Government may, if it deems fit, declare by order that such road, building or other works vested in the Grama panchayat, shall stand transferred to and vest in, the Taluk Panchayat, Zilla Panchayat or the Government as the case may be.

(3) All rubbish, sewage, filth and other matter collected by a Grama Panchayat under this Act shall belong to it.

211. Decision of claims to property by or against Grama Panchayat.- (1) In any village to which a survey of lands other than lands ordinarily used for the purposes of agriculture only has been or shall be extended under any law for the time being in force, where any property or any right in or over any property is claimed by or on behalf of the Grama Panchayat, or by any person as against the Grama Panchayat, it shall be lawful for the Assistant Commissioner after enquiry of which due notice has been given, to pass an order deciding the claims.

(2) Any person aggrieved by an order made under sub-section (1) may appeal to the Deputy Commissioner and the decision of the Deputy Commissioner shall be final.

(3) Any person shall be deemed to have had notice of any enquiry or order under this section if notice has been given in the prescribed manner.

212. Grama Panchayat Fund: (1) There shall be for each Grama Panchayat fund called the Grama Panchayat Fund.

(2) The following shall form part of, or be paid into the Grama Panchayat Fund namely,

(a) The amount which may be granted or passed on to the Grama Panchayat by the Government or the Zilla Panchayat or Taluk Panchayat under the provisions of this Act or any other Act, or on any other account;

(b) the proceeds of any tax, rate and fee imposed by Grama Panchayat;

(c) All sums received by the Grama Panchayat by way of loans or contributions from the government or any other authority or person or by way of gift;

(d) the rent or other income from, or sale proceeds from any immovable or movable property owned by or vesting in the Grama Panchayat; and

(e) all other sums received from any source whatsoever

(3) The amounts at the credit of Grama Panchayat Fund shall be kept in the Government treasury of the taluk or with approval of the Executive officer in any scheduled bank or a co-operative bank situated in the Panchayat area or the neighboring panchayat area.

213. Application of Grama Panchayat fund and property.- (1) Subject to the provisions of this Act and rules made there under and such general or special orders of the Government, all property owned by or vested in the Grama panchayat under this Act and all funds received by it and all sums accruing to it under the provisions of this Act or any other law for the time being in force, shall be applied for the purposes specified in sections 58 and 59 and for all other purposes for which by or under this Act, or any other law for the time being in force, powers are conferred or duties are imposed upon the Grama Panchayat:

Provided that no expenditure shall be incurred out of the Grama Panchayat Fund unless provision there for has been made in the budget of the Grama Panchayat or funds are obtained by reappropriation duly approved, except in such cases as may be prescribed:

Provided further that not less than twenty percent of the funds meant for welfare activities shall be utilised for the welfare of the Scheduled Castes and Scheduled Tribes.

(2) The Grama Panchayat Fund shall also be utilized for the following purposes,-

(i) Payment of salaries and allowances to the Adhyaksha and Upadhyaksha, officers and staff, traveling allowance, daily allowance, and sitting fees to the members of the Grama Panchayat or any Committee thereof, subject to such rules as may be prescribed.

(ii) any amount falling due on any loan raised by the Grama Panchayat;

(iii) with the previous sanction of the Chief Executive Officer, [and in accordance with the guidelines specified by the Government], for any other purpose for which the application of such property or fund is necessary in public interest:

Provided that any amount granted to the Grama Panchayat by the Government or any person or local authority for any specific work or purpose shall be applied exclusively for such work or purpose and in accordance with such instructions as the Government may specify either generally or specially in this behalf.

214. Grama Panchayat may raise loans and form a sinking fund.- A Grama Panchayat may, with the previous sanction of the Government and subject to the conditions imposed by it from time to time, raise loans for the execution of any work or for the purposes of carrying out any of the provisions of this Act and form a sinking fund in the prescribed manner for the repayment of such loans.

215. Taluk Panchayat may acquire, hold and dispose of property etc.,- The power of every Taluk Panchayat to acquire, hold and dispose of property both movable and immovable whether within or without the limits of the area over which it has authority to lease, sell or otherwise transfer any movable or immovable property which may have become vested in or been acquired by it, and to contract and to do all other things necessary for the purposes of this Act, shall be subject to such rules as may be prescribed.

216. Vesting of property in Taluk Panchayat.- (1) It shall be competent for the Government or a Zilla Panchayat with the concurrence of the Taluk Panchayat from time to time to direct that any property vesting in the Government or the Zilla Panchayat, as the case may be, shall vest in the Taluk Panchayat:

Provided that no lease, sale or transfer of any such immovable property by the Taluk Panchayat shall be valid without the previous sanction of the Government or the Zilla Panchayat, as the case may be.

(2) Every work constructed by a Taluk Panchayat out of Taluk Panchayat Fund shall vest in such Taluk Panchayat:

Provided that, the Government may, if it deems fit, declare by order that such road, building or other works vested in Taluk Panchayat, shall stand transferred to and vest in, the Zilla Panchayat or the Government as the case may be.

217. Decision of claims to property by or against Taluk Panchayat.- (1) In any taluk to which a survey of lands other than lands ordinarily used for the purpose of agriculture only has been or shall be extended under any law for the time being in force, where any property or any right in or over any property is claimed by or on behalf of the Taluk Panchayat, or by any person as against the Taluk Panchayat, it shall be lawful for the Deputy Commissioner after enquiry of which due notice has been given, to pass an order deciding the claims.

(2) Any person aggrieved by an order made under sub-section (1) may appeal to the Commissioner and the decision of the Commissioner shall be final.

(3) Any person shall be deemed to have had due notice of any enquiry or order under this section if notice has been given in the prescribed manner.

218. Taluk Panchayat Fund.- (1) There shall be for each Taluk Panchayat a fund called the Taluk Panchayat Fund.

(2) The following shall form part of, and be paid into the Taluk Panchayat Fund, namely:-

- (a) the amount which may be granted or passed on to the Taluk Panchayat by the Government or the Zilla Panchayat under the provisions of this Act or any other Act, or on any other account;
- (b) the proceeds of any fees imposed by the Taluk Panchayat;
- (c) all sums received by the Taluk Panchayat by way of contributions from the Government or any other authority or person or by way of gift;
- (d) the rent or other income from, or sale proceeds of any immovable or movable property owned by or vested in the Taluk Panchayat; and
- (e) all other sums received from any source whatsoever:

Provided that sums received by way of endowments for any specific purpose shall not form part of or be paid into the Taluk Panchayat Fund.

(3) The amounts at the credit of the Taluk Panchayat Fund shall be kept in the Government Treasury of the taluk.

219. Application of Taluk Panchayat fund and property.- (1) Subject to the provisions of this Act and the rules made there under and such general or special orders as the Government, may make, all property owned by or vested in the Taluk Panchayat under this Act and all funds received by it and all sums accruing to it under the provisions of this Act or any other law for the time being in force, shall be applied for the purposes specified in sections 145 and 146 and for all other purposes for which by or under this Act, or any other law for the time being in force, powers are conferred or duties are imposed upon the Taluk Panchayat:

Provided that no expenditure shall be incurred out of the Taluk Panchayat Fund unless provision there for has been made in the budget of the Taluk Panchayat or funds are obtained by reappropriation duly approved, except in such cases as may be prescribed:

Provided further that not less than twenty percent of the funds meant for welfare activities shall be utilised for the welfare of the Scheduled Castes and Scheduled Tribes.

(2) The Taluk Panchayat Fund shall also be utilised for the following purposes:-

- (i) payment of salaries and allowances to the Adhyaksha and Upadhyaksha, officers and staff, traveling allowance, daily allowance, and sitting fees to the members of the Taluk Panchayat or any committee thereof, subject to such rules as may be made in this behalf by the Government;
- (ii) any amount falling due on any loan raised by the Taluk Panchayat;
- (iii) with the previous sanction of the [Government] , for any other purposes for which the application of such property or fund is necessary in public interest:

Provided that any amount granted to the Taluk Panchayat by the Government or any person or local authority for any specific work or purpose shall be applied exclusively for such work or purpose and in accordance with such instructions as the Government may specify either generally or specially in this behalf.

220. Taluk Panchayat may raise loans and form a sinking fund.- A Taluk Panchayat may, with the previous sanction of the Government and subject to the conditions imposed by it from time to time, raise loans for the execution of any work or for the purposes of carrying out any of the provisions of this Act and form a sinking fund in the prescribed manner for the repayment of such loans.

221. Rents and fees.- Save as otherwise provided in this Act and subject to the regulations made in this behalf, a Taluk Panchayat may charge fees for any license or permission issued by it under this Act, and the rules made there under and levy rent and fee for the occupation or use of land or other property placed under its control or vested in it or maintained out of the Taluk Panchayat fund.

222. Zilla Panchayat may acquire, hold and dispose of property etc.,- (1) The power of every Zilla Panchayat to acquire, hold and dispose of property both movable and immovable whether within or without the limits of the area over which it has authority to lease, sell or otherwise transfer any movable or immovable property which may have become vested in or been acquired by it, and to contract and to do all other things necessary for the purpose of this Act, shall be subject to the rules made by the Government in this behalf:

223. Vesting of property in Zilla Panchayat.-(1) It shall be competent for the Government with the concurrence of the Zilla Panchayat from time to time to direct that any property vesting in the Government shall vest in the Zilla Panchayat :

Provided that no lease, sale or transfer of such immovable property by the Zilla Panchayat shall be valid without the previous sanction, of the Government.

(2) Every work constructed by a Zilla Panchayat out of Zilla Panchayat Fund shall vest in such Zilla Panchayat:

Provided that, the Government may, if it deems fit, declare by order that such road, buildings or other works vested in the Zilla Panchayat, shall stand transferred to and vest in, the Government .

224. Decision of claims to property by or against Zilla Panchayat.- (1) In any district to which a survey of lands other than lands ordinarily used for the purpose of agriculture only has been or shall be extended under any law for the time being in force, where any property is claimed by or on behalf of the Zilla Panchayat, or by any person as against the Zilla Panchayat, it shall be lawful for the Deputy Commissioner after enquiry of which due notice has been given, to pass an order deciding the claims.

(2) Any person aggrieved by an order made under sub-section (1) may appeal to the Commissioner and the decision of the Commissioner shall be final.

(3) A person shall be deemed to have had due notice of any enquiry or order under this section if notice has been given in the prescribed manner.

225. Zilla Panchayat Fund.- (1) There shall be for each Zilla Panchayat a fund called the Zilla Panchayat Fund and the following shall form part of, or be paid into the Zilla Panchayat Fund, namely,-

- (i) the amount transferred to the Zilla Panchayat Fund by appropriation from out of the Consolidated Fund of the State;
- (ii) all grants, assignments, loans and contributions made by the Government;
- (iii) all fees and penalties paid to or levied by or on behalf of the Zilla Panchayat under this Act and all fines imposed under this Act;
- (iv) all rents from lands or other properties of the Zilla Panchayat;
- (v) all interests, profits and other moneys accruing by gifts, grants, assignments or transfers from private individuals or institutions;
- (vi) all proceeds of land, securities and other properties sold by the Zilla Panchayat;
- (vii) all sums received by or on behalf of the Zilla Panchayat by virtue of this Act:

Provided that sums received by way of endowments for any specific purpose shall not form part of or be paid into the Zilla Panchayat Fund.

226. Custody and investment of Zilla Panchayat Fund.- (1) The amounts at the credit of the Fund shall be kept in the Government Treasury.

(2) It shall be lawful for a Zilla Panchayat to deposit at interest with the Government Savings Bank or with the sanction of the Government, any scheduled bank or co-operative bank in the State, any surplus funds in its hands which may not be required for current charges and with like sanction to invest such funds in securities of the Government of India or the State Government or in such other securities as the Government may, from time to time, approve in this behalf and to vary such investment or dispose of such securities with like sanction.

227. Application of Zilla Panchayat Fund and property.- (1) Subject to the provisions of this Act and the rules made there under and such general or special orders as the Government may make, all property owned by or vested in the Zilla Panchayat under this Act and all funds received by it and all sums accruing to it under the provisions of this Act or any other law for the time being in force, shall be applied for the purposes specified in sections 184 and 185 and for all other purposes for which by or under this Act, or any other law for the time being in force, powers are conferred or duties are imposed upon the Zilla Panchayat:

Provided that no expenditure shall be incurred out of the Zilla Panchayat Fund unless provision there for has been made in the budget of the Zilla Panchayat or funds are obtained by reappropriation duly approved, except in such cases as may be prescribed:

Provided further that not less than twenty percent of the funds meant for welfare activities shall be utilised for the welfare of the Scheduled Castes and Scheduled Tribes.

(2) The Zilla Panchayat Fund and all property held or vested in the Zilla Panchayat under this Act shall be applied, subject to the provisions of this Act for the payment of,-

- (a) salaries and allowances to the Adhyaksha and the Upadhyaksha and traveling and daily allowance to the Adhyaksha and Upadhyaksha for tours outside the district and travelling and daily allowance to the members of the Zilla Panchayat or any committee thereof, subject to such rules as may be made in this behalf by the Government;
- (b) the salaries, allowances, pensions and gratuities of its officers and employees other than those whose salaries and allowances are paid from the Consolidated Fund of the State;
- (c) any amount falling due on any loan contracted by the Zilla Panchayat;
- (d) for the purposes specified in the Act;
- (e) all other purposes for which by or under this Act or the rules or regulations made there under or by or under any other law for the time being in force, powers are conferred or duties are imposed upon the Zilla Panchayat;
- (f) with the previous sanction of the Government, for any other purposes for which the application of such property or fund is necessary in public interest:

Provided that any amount granted to the Zilla Panchayat by the Government or any person or local authority for any specific work or purpose shall be applied exclusively for such work or purpose and in accordance with such instructions as the Government may specify either generally or specially in this behalf.

228. Rents and fees. - Save as otherwise provided in this Act and subject to the regulations made in this behalf, a Zilla Panchayat may charge fee for any license or permission issued by it under this Act, and the rules made there under and levy rent and fee for the occupation or use of land or other property placed under its control or vested in it or maintained out of the Zilla Panchayat Fund.

229. Zilla Panchayat may raise loans and form a sinking fund.- A Zilla Panchayat may, with the previous sanction of the Government and subject to the conditions imposed by it from time to time, raise loans for the execution of any work or for the purpose of carrying out any of the provisions of this Act and form a sinking fund for the repayment of such loans.

230. Prohibition of expenditure not covered by the budget.- Except as hereinafter provided, no payment of any sum shall be made out of the Zilla Panchayat Fund, unless the expenditure of the same is covered by a budget grant except in the following cases, namely,-

- (a) refund of moneys which the Zilla Panchayat is authorised to make under this Act or the rules or regulations made there under;
- (b) repayment of moneys belonging to the contractors or other persons held in deposit and of moneys credited to the Zilla Panchayat Fund by mistake;
- (c) sums which the Zilla Panchayat is required or empowered by this Act to pay by way of compensation;
- (d) every sum payable,-
 - (i) under this Act by order of the Government

- (ii) under a decree or order of a civil court; and
- (iii) under a compromise of any suit or other legal proceedings or claim.

231. Government may place roads and other property under Zilla Panchayat.-

(1) It shall be lawful for the Government from time to time to direct, by notification, that any road, bridge, channel, building or other property, movable or immovable, which is vested in the Government and which is situated in the district, shall with the consent of the Zilla Panchayat and subject to such exceptions and conditions as the Government may make and impose, be placed under the control and administration of the Zilla Panchayat for the purposes of the Act and thereupon such road, bridge, channel, buildings or other property shall be under the control and administration of the Zilla Panchayat, subject to all exceptions and conditions so made and imposed and to all charges and liabilities affecting the same.

(2) It shall be competent for the Government by notification to resume any property placed under the control of a Zilla Panchayat under sub-section (1) on such terms as the Government may determine.

Section 308(2-C) The Government shall prescribe the financial powers of the State Election Commissioner and allocate funds commensurate with the functions and responsibilities, for incurring establishment and election related expenditure, ensuring flexibility for getting procurements needed for conduct of elections and also freedom to divert funds between different heads of account;