



Postal Registration No. N. E.—771/2006-2008

The Gazette of Meghalaya

EXTRAORDINARY

PUBLISHED BY AUTHORITY

No. 27

Shillong, Friday, March 30, 2012,

10th Chaitra, 1934 (S. E.)

PART - IV

GOVERNMENT OF MEGHALAYA

LAW (B) DEPARTMENT

ORDERS BY THE GOVERNOR

NOTIFICATION

The 30th March, 2012.

No.LL(B) 114/2010/57.—The Meghalaya State Finance Commission Act, 2012 (Act No. 4 of 2012) is hereby published for general information.

MEGHALAYA ACT NO. 4 OF 2012.

(As passed by the Meghalaya Legislative Assembly)

Received the assent of the Governor on 29th March, 2012.

Published in the Gazette of Meghalaya Extra-Ordinary issue dated 30th March, 2012.

MEGHALAYA STATE FINANCE COMMISSION ACT, 2012**An****Act**

to constitute a State Finance Commission and to determine the qualifications requisite for appointment as members of the Finance Commission and the manner in which they shall be selected and to prescribe their powers and for matter connected therewith.

Whereas, it is expedient to make all the local bodies of the State to have financial autonomy to further democratic decentralization for which constitution of a State Finance Commission to consider and recommend the principle which will govern the distribution of revenue between the State Government and the Local Bodies is necessary;

And, whereas, further, Part IX of the Constitution of India does apply to the state of Meghalaya;

And, whereas, also, Part IX-A of the Constitution of India, except normal areas of Shillong, does not apply to the tribal areas of the State of Meghalaya;

And, whereas, it is expedient to constitute a single State Finance Commission for all the local bodies which will also be suitable to local bodies exempted by the aforementioned provisions of the Constitution on the basis of the existing administrative arrangements to enable all the local bodies to have financial autonomy to perform functions analogous to the functions of other local bodies constituted under Part IX and Part IX-A of the constitution while retaining the distinctive tribal identity protected by the Sixth Schedule of the Constitution of India which is foundational to the local bodies of the State;

Be it enacted by the Legislature of the State of Meghalaya in the Sixty-third Year of the Republic of India as follows: -

Short title and commencement.

1. (1) This Act may be called the Meghalaya State Finance Commission Act, 2012.

(2) It shall come into force on such date as the State Government may, by notification in the Official Gazette, appoint.

Definitions.

2. In this Act, unless the context otherwise requires, -

- (a) "Act" means the Meghalaya State Finance Commission Act, 2012;
- (b) "Commission" means the Meghalaya State Finance Commission constituted under sub-section (1) of section 3 of the Act;
- (c) "members" means members of the Commission including the chairperson, other members and include the Member-Secretary appointed under section 4 of the Act;
- (d) "prescribed" means prescribed by rules made under this Act;
- (e) "State Government" means the Government of the State of Meghalaya; and
- (f) "State Legislature" means the Legislature of the State of Meghalaya;
- (g) "Traditional Bodies" means the existing Chiefs of Traditional Institutions or Village Durbars by whatever name they are constituted under the customary laws or conventions.

Constitution of a State Finance Commission.

3. (1) The State Government shall, as soon as may be within one year from the commencement of this Act and thereafter at the expiry of every fifth year, constitute a body to be known as the Meghalaya State Finance Commission to review the financial position of the Traditional Bodies, Municipalities or Municipal Boards notwithstanding any term by which urban local bodies are called in the State and also the Autonomous District Councils as the State Government may deem it necessary and to make recommendations as to -

- (a) the principles which should govern –
 - (i) the distribution between the State and the Traditional Bodies, Municipalities or Municipal Boards or the Autonomous District Councils of the net proceeds of the taxes, duties, tolls and fees leviable by the State, which may be divided between them to enable these bodies to perform the functions assigned and which may be assigned to it under any laws in force or orders and the allocation between the Traditional Bodies, Municipalities and the Autonomous District Councils at all levels of their respective shares of such proceeds;
 - (ii) the determination of the taxes, duties, tolls and fees which may be assigned to or, appropriated by the Traditional Bodies, Municipalities and the Autonomous District Councils;
 - (iii) the grant-in-aid to the Traditional Bodies, Municipalities and the Autonomous District Councils from the Consolidated Fund of Meghalaya;
- (b) the measures needed to improve the financial position of the Traditional Bodies, Municipalities and the Autonomous District Councils;
- (c) any other matter referred to the Commission by the State Government in the interests of sound finances of the Traditional Bodies, Municipalities and the Autonomous District Councils; and
- (d) any other matter referred to the Commission by the State Government in the interest of the effective implementation of responsibilities required to be undertaken by the Village Durbars, Municipalities and Autonomous District Councils.

(2) The State Government shall cause every recommendation made by the Commission under this section together with an explanatory memorandum as to the action taken thereon to be laid before the State Legislature.

The Composition and qualifications for appointment as, and the manner of selection of, members of the Commission.

4. The composition of the Commission constituted under subsection (1) of section 3 shall consist of -

- (a) a Chairperson who shall be selected from among persons who have had experience in public affairs;
- (b) and the members not exceeding four in numbers who shall be selected from among persons who -
 - (i) have special knowledge of the finances and accounts of Government; or
 - (ii) have had wide experience in financial matters and in administration; or
 - (iii) have special knowledge of economics.
- (c) The Member Secretary, who shall be appointed by the State Government.

Personal interest to disqualify members.

5. Before appointing a person to be a member of the Commission, the State Government shall satisfy itself that the person will have no such financial or other interest as is likely to affect prejudicially his functions as a member of the Commission and the State Government shall also satisfy itself from time to time with respect to every member of the Commission that he has no such interest and any person who is or, whom the State Government proposes to appoint to be, a member of the Commission shall, whenever required by the State Government so to do, furnish such information as the State Government considers necessary for the performance by him of his duties under this Act.

Disqualifications for being a member of the Commission.

6. A person shall be disqualified for being appointed as, or for being, a member of the Commission, -

- (a) if he is mentally unsound;
- (b) if he is an undischarged insolvent;
- (c) if he has been convicted of immoral offence;
- (d) if he has such financial or other interest as is likely to affect smooth functioning as member of the Commission.

Term of office of members and eligibility for reappointment.

7. Every member of the Commission shall hold office for such period as may be specified in the order of the State Government appointing him, but shall be eligible for reappointment:

Provided that he may, by letter addressed to the State Government, resign his office.

Conditions of service and salaries and allowances of members.

8. The members of the Commission shall render whole-time or part-time service to the Commission as the State Government may in each case specify and there shall be paid to the members of the Commission such fees or salaries and such allowances as may be prescribed.

Procedures and powers of the Commission.

9. (1) The Commission shall determine their procedure and methods of functioning as assigned to under this Act.

(2) The Commission may consider for its adoption the template for reports of the Commission recommended by the Thirteenth Finance Commission of India.

(3) The Commission, in the performance of their functions, shall have all the powers of a civil court under the Code of Civil Procedure, 1908 (Central Act No.5 of 1908), while trying a suit in respect of the following matters, namely, -

- (a) summoning and enforcing the attendance of any official, person or witnesses;
- (b) requiring the production of any document;
- (c) requisitioning any public record from any court or office.

(4) The Commission shall have powers to require any person to furnish information on such points or matters as in the opinion of the Commission may be useful for, or relevant to, any matter under the consideration of the Commission.

Power to make rules.

10. (1) The State Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

(2) Every rule made under this Act shall, as soon as after it is made, be laid before the State Legislature.

L. M. SANGMA,
Secretary to the Government of Meghalaya,
Law Department.