



SECOND MIZORAM FINANCE COMMISSION

FORMAT FOR SUBMISSION OF MEMORANDUM TO 2nd MIZORAM FINANCE COMMISSION IN RESPECT OF LOCAL ADMINISTRATION DEPARTMENT

1. FUNCTIONS:

- a) Please give a detailed note on the activities/core functions actually performed by the Village Councils in Mizoram with reference to the provisions in the Lushai Hills District (Village Councils) Act, 1953, the Lushai Hills Autonomous District (Administration of Justice) Rules, 1953, Lushai Hills District (Jhumming) Regulations, 1954, Mizoram Animal (Control & Taxation) Act, 2014, Mizoram (Prevention and Control of Fire) Rules, 2014 and Mizoram Village (Sanitation) Rules, 2017 and any other enabling Act/Rules/Regulations.
- b) Please comment on the functions devolved as per law to the Village Councils vis-à-vis the items listed in the 11th Schedule to the Constitution of India as per the format at **Schedule-7**.
- c) Please give views and suggestions of the State Government in Local Administration Department on the specific terms of reference of the Commission, namely- *'In making its recommendations, the Commission shall have regard, among other considerations, to the functions which may be transferred to the Rural Local Bodies, Urban Local Bodies and the Autonomous District Councils for the coming five years with effect from 1st April, 2021 and the manner in which the existing functionaries of the State Government, who are at the time of making recommendations are performing the functions recommended for transfer to the local bodies, shall be transferred to the Rural Local Bodies, Urban Local Bodies and the Autonomous District Councils'*.

2. VIEWS AND COMMENTS ON TERMS OF REFERENCE:

- a) Paragraph 3(1)(i) of the Terms of Reference of the 2nd Mizoram Finance Commission states that *"The Commission shall make recommendation as to the principles which should govern the distribution between the State and the Rural Local Bodies, Urban Bodies and 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 Rural Local Bodies, Urban Local Bodies and the Autonomous District Councils at all levels of their respective shares of such proceeds"*. The 1st Mizoram Finance Commission (1st MFC) recommended 15% vertical devolution of State's taxes to all the local bodies in aggregate. The horizontal sharing of the 15% devolution was recommended by the 1st MFC among the ADCs in aggregate, VCs in aggregate and AMC on the basis

of population and annual average assessed expenditure (Table 9B of the 1st MFC Report). The horizontal devolution of the aggregate share of the Village Councils of the then eight Districts, including VCs within Autonomous District Councils, was recommended on the basis of the following criteria with corresponding weights as: (a) Non-municipal population (Census 2011) – 40%, (b) Non-municipal area – 20%, (c) per capita income distance (from highest income district) – 10%, (d) Road length – 5%, (e) No. of electrified villages – 5%, (f) No. of streetlight connections – 10% and (g) No. of water connections – 10%. Views of the State Government in Local Administration Department on the principles for vertical as well as horizontal distribution of the share of taxes may be given with reasons.

- b) Paragraph 3(1)(ii) of the Terms of Reference of the 2nd Mizoram Finance Commission states that “*The Commission shall make recommendation as to the principles which should govern the determination of the taxes, duties, tolls and fees which may be assigned to, or appropriated by, the Rural Local Bodies, Urban Local Bodies and the Autonomous District Councils*”. Views of the State Government in Local Administration Department may be given with reasons.
- c) Paragraph 3(1)(iii) of the Terms of Reference of the 2nd Mizoram Finance Commission states that “*The Commission shall make recommendation as to the principles which should govern the grant-in-aid to the Rural Local Bodies, Urban Local Bodies and the Autonomous District Councils from the Consolidated Fund of Mizoram*”. Para 9.22 of the 1st MFC Report recommended grant-in-aid to the Village Councils district-wise in case there is revenue deficit even after devolution of the State’s share of taxes coupled with local body grants from 14th Finance Commissions but did not specify the actual amount since the recommendation of the 14th Finance Commissions was not available at that point of time. Views/suggestions of the State Government in Local Administration Department with regard to grant-in-aid to rural local bodies may be given with reasons.
- d) Paragraph 3(2) of the Terms of Reference of the 2nd Mizoram Finance Commission states that “*The Commission shall make recommendation as to the principles which should govern the measures needed to improve the financial position of the Rural Local Bodies, Urban Local Bodies and the Autonomous District Councils*”. Views/suggestions of the State Government in Local Administration Department may be given with reasons.
- e) Please give note indicating the views of the State Government in Local Administration Department on the specific issue in paragraph 4(vi) of the Terms of Reference related to natural calamities/disaster management namely – “*In making its recommendations, the Commission shall have regard, among other considerations, to the need to enhance disaster management at the local levels so as to avoid minor disasters such as landslips, etc at the local level*”.
- f) Please give note indicating the views and suggestions of the State Government in Local Administration Department on the specific issue in paragraph 4(vii) of the Terms of Reference relating to environment and

ecology, namely – ‘In making its recommendations, the Commission shall have regard, among other considerations, to the need to manage ecology, environment and climate change at the local levels’.

- g) Please give a note indicating the views and suggestions of the State Government in Local Administration Department on the specific issue in paragraph 4(viii) of the Terms of Reference namely – ‘In making its recommendations, the Commission shall have regard, among other considerations, to the need to improve the quality of public expenditure to obtain better outputs and outcomes through innovative monitoring and appraisal system at the local levels’.

3. TAX REVENUES:

a) **Animal Tax:**

- i. Please provide the existing rates of Animal Tax levied under section 11 of the Mizoram Animal (Control & Taxation) Act, 2014
- ii. Please provide the existing rates of registration fees of animals under section 12 of the Mizoram Animal (Control & Taxation) Act, 2014
- iii. Kindly emphasize the procedure for billing and mechanism for collection of Animal Tax.
- iv. Kindly provide the receipts from Animal Tax that are credited to the Consolidated Fund of Mizoram (i.e. 50% of the Animal Tax) year-wise and district-wise as per the format below:

Sl. No.	Name of District	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
	Total							

- b) **Property Tax:** Please highlight the steps being taken by the State Government to enable the Village Councils collect Property Tax as per the provisions in section 15 (2) of the Lushai Hills District (Village Councils) Act, 1953 as amended.

4. NON-TAX REVENUES:

- a) **User charges:** Please list out the services provided by Village Councils, rates of user charges on each service provided, and any suggestions for enhancing actual collections of such user charges by the State Government.

b) **Fees:**

- i. Please give detail notes on different types of fees collected the Village Councils and any suggestions for enhancing actual collections of such fees by the State Government.

- ii. Please comment on the desirability or otherwise of fixing rates of fees for providing recommendations of Village Councils for obtaining various services from the State Government such as issue of Scheduled Tribe Certificate, Residential Certificate, Income Certificate, Hailing Certificate, Inner Line Pass, No Objection Certificates for various land revenue certificates/pass, etc.

5. FINANCIAL STATEMENTS: Please provide financial statements on various aspects of receipts and expenditures of the Village Councils as per the format in the **Schedules** attached herewith. It may be mentioned that while entering “actual figures” for previous years in the Schedules, audited figures should invariably be entered.



Second Mizoram Finance Commission

Schedules of Financial Position of Village Councils		
S. No.	Schedule No.	Subject
1	1	Transfer of resources from the State Government to the Village Councils district-wise as recommended by the 1st Mizoram Finance Commission
2	2	Transfer of resources from the Central Government to the Village Councils district-wise as recommended by the 14th/15th Finance Commissions
3	3	Expenditure profile of grants under 1st Mizoram Finance Commission district wise
4	4	Expenditure profile of grants under 14th/15th Finance Commissions district wise
5	5	Expenditure on honorarium of Members of Village Councils district-wise
6	6	Status of Accounts of the Village Councils
7	7	Functions devolved to Village Councils vis-à-vis the items in 11th Schedule to the Constitution of India



SECOND MIZORAM FINANCE COMMISSION

Transfer of resources from the State Government to the Village Councils district-wise as recommended by the 1st Mizoram Finance Commission

(₹ in lakhs)

Sl. No.	Name of District	Particulars	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Revised Estimate
			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
1	2	3	4	5	6	7	8	9	10
		Devolution of share of State taxes							
		Grants-in-aid (please specify the purpose and insert a new row if required)							
		Others (Please specify if any)							
		Total							

Notes:

1. For the years 2020-21 and 2021-22, please indicate the amount transferred by the State Government under the respective heads (viz. devolution, grant-in-aid and others) although the recommendations of the State Finance Commission are not available
2. Data for Saitual, Khawzawl and Hnahthial Districts may be provided with effect from the year in which the Districts were established i.e. 2019-20



SECOND MIZORAM FINANCE COMMISSION

Transfer of resources from the Central Government to the Village Councils district-wise as recommended by the 14th/15th Finance Commissions

(₹ in lakhs)

Sl. No.	Name of District	Particulars	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Revised Estimate	Budget Estimate	Projections	Projections	Projections
			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
1	2	3	4	5	6	7	8	9	10	11	12	13	14
		Rural Local Body grants from 14th/15th Finance Commission											
		Performance grants from 14th Finance Commission											
		Grants for specific purpose from 15th Finance Commission (please specify and insert a new row if required)											
		Grants transferred through Centrally Sponsored Schemes											
		Grants to "Excluded Areas" not covered under Part IX & IX-A of the Constitution											
		Total											

Note: Data for Saitual, Khawzawl and Hnahthial Districts may be provided with effect from the year in which the Districts were established i.e. 2019-20



SECOND MIZORAM FINANCE COMMISSION

Expenditure profile of grants under 1st Mizoram Finance Commission district wise

Name of District : _____

Sl. No.	Items of expenditure	(₹ in lakhs)					Total
		Actuals 2015-16	Actuals 2016-17	Actuals 2017-18	Actuals 2018-19	Actuals 2019-20	
1	2	3	4	5	6	7	8
1	Drinking water, rain water harvesting and any other water conservation works						
2	Sanitation, solid and liquid waste management						
3	Internal roads, PCC pavement, masonry steps, retaining wall, side drain, culvert and similar civil works						
4	Solar streetlights and similar works utilising solar energy						
5	Maintenance of burial grounds						
6	Health related works						
7	Education related works						
8	Community Hall/Village Council House/ Library or any other community building						
	TOTAL						

- Notes:**
1. The items of expenditure as reflected in Column (2) are not exhaustive and thus, items not captured in Column (2) may be included by adding a new row.
 2. The year-wise expenditure as reflected in Schedule-3 should tally with the year-wise receipts in Schedule-1
 3. Data for Saitual, Khawzawl and Hnahthial Districts may be provided with effect from the year in which the Districts were established i.e. 2019-20



SECOND MIZORAM FINANCE COMMISSION

Expenditure profile of grants under 14th/15th Finance Commissions district wise

Name of District : _____

(₹ in lakhs)

Sl. No.	Items of expenditure	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Total
		2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	
1	2	3	4	5	6	7	8	9	10
1	Drinking water, rain water harvesting and any other water conservation works								
2	Sanitation, solid and liquid waste management								
3	Internal roads, PCC pavement, masonry steps, retaining wall, side drain, culvert and similar civil works								
4	Solar streetlights and similar works utilising solar energy								
5	Maintenance of burial grounds								
6	Health related works								
7	Education related works								
8	Community Hall/Village Council House/ Library or any other community building								
	TOTAL								

- Notes:**
1. The items of expenditure as reflected in Column (2) are not exhaustive and thus, items not captured in Column (2) may be included by adding a new row.
 2. The year-wise expenditure as reflected in Schedule-4 should tally with the year-wise receipts in Schedule-2
 3. Data for Saitual, Khawzawl and Hnahthial Districts may be provided with effect from the year in which the Districts were established i.e. 2019-20



SECOND MIZORAM FINANCE COMMISSION

Expenditure on honorarium of Members of Village Councils district-wise

(₹ in lakhs)

Sl. No.	Name of District	Particulars	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Revised Estimate	Budget Estimate	Projections	Projections	Projections
			2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
1	2	3	4	5	6	7	8	9	10	11	12	13	14
		Remuneration of members of Village Councils											
		Total											

Note: Data for Saitual, Khawzawl and Hnahthial Districts may be provided with effect from the year in which the Districts were established i.e. 2019-20



SECOND MIZORAM FINANCE COMMISSION

Status of Accounts of the Village Councils

Sl. No.	Items	Remarks
1	Whether Model Panchayat Accounting Manual for Panchayati Raj Institutions as prescribed by the Central Government adopted/implemented by Village Councils? If No, what is the format/accounting system followed by Village Councils?	
2	Details of audit accounting authority for Village Councils.	
3	Whether or not expenditures under "Village Councils Funds" formed under section 15 of the Lushai Hills District (Village Councils) Act, 1953 are audited by the audit authority?	
4	Latest year up to which expenditures under grants from the 14th/15th Finance Commissions are audited. Information may be given district-wise.	
5	Latest year up to which expenditures under grants from the 1st Mizoram Finance Commissions are audited. Information may be given district-wise.	
6	Latest year up to which audit report of the Village Councils are placed before the State Legislature.	
7	Whether or not the facility of "AuditOnline" initiated by the Ministry of Panchayati Raj as part of the e-panchayat Mission Mode Project (MMP) implemented by Village Councils?	
8	Suggestions, if any, for improving the accounting mechanism of the Village Councils.	



SECOND MIZORAM FINANCE COMMISSION

Functions devolved to Village Councils vis-à-vis the items in 11th Schedule to the Constitution of India

Sl. No.	Name of function as listed in 11th Schedule to the Constitution	Whether function devolved as per law to Village Councils? [Yes/No]	If the answer in Col. (3) is No, name of the Department with whom the function is currently assigned	State the extent of involvement of Village Councils in implementation of the function even if the function is not legally devolved as per law
1	2	3	4	5
1	Agriculture, including agricultural extension.			
2	Land improvement, implementation of land reforms, land consolidation and soil conservation.			
3	Minor irrigation, water management and watershed development.			
4	Animal husbandry, dairying and poultry.			
5	Fisheries.			
6	Social forestry and farm forestry.			
7	Minor forest produce.			
8	Small scale industries, including food processing industries.			

Sl. No.	Name of function as listed in 11th Schedule to the Constitution	Whether function devolved as per law to Village Councils? [Yes/No]	If the answer in Col. (3) is No, name of the Department with whom the function is currently assigned	State the extent of involvement of Village Councils in implementation of the function even if the function is not legally devolved as per law
1	2	3	4	5
9	Khadi, village and cottage industries.			
10	Rural housing.			
11	Drinking water.			
12	Fuel and fodder.			
13	Roads, culverts, bridges, ferries, waterways and other means of communication.			
14	Rural electrification, including distribution of electricity.			
15	Non-conventional energy sources.			
16	Poverty alleviation programme.			
17	Education, including primary and secondary schools.			
18	Technical training and vocational education.			
19	Adult and Non-formal education.			
20	Libraries.			
21	Cultural activities.			
22	Markets and fairs.			

Sl. No.	Name of function as listed in 11th Schedule to the Constitution	Whether function devolved as per law to Village Councils? [Yes/No]	If the answer in Col. (3) is No, name of the Department with whom the function is currently assigned	State the extent of involvement of Village Councils in implementation of the function even if the function is not legally devolved as per law
1	2	3	4	5
23	Health and sanitation, including hospitals, primary health centres and dispensaries.			
24	Family welfare.			
25	Women and child development.			
26	Social welfare, including welfare of the handicapped and mentally retarded.			
27	Welfare of the weaker sections, and in particular, of the Scheduled Caste and the Scheduled Tribes.			
28	Public distribution system.			
29	Maintenance of community assets.			