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You want to understand the local government system as whole so I am going to discuss the history and system. People think they need to have water supply, sewerage, cleanliness, street lights and other municipal services in past people use to collect money on their own and arrange these services there was officer called (VAO) village Aid Officer and he use to help people with the technical support (estimating the work, technical lay outs and execution) it was the local government first time in Pakistan on very basic level. The first sight of local government in Pakistan was is 1959 in form of (BDO) Basic Democracy Order and there was an electoral college (with that they elected Ayuab khan) it was institution of the rural areas after one year they realized that there is nothing for the urban area so after one year there was a (MAO) Municipal Administration Order in 1960 which we call mother of all municipal laws and both of these laws BDO and MAO were drafted by Professor Masood ul Hassan as advisor to government of west Pakistan.

People’s local government was practiced in 1975 and it was Punjab Local Government Act (PLGA 1975) but it did not worked well and then in 1979 in General Zia’s era there was a change in form of Punjab Local Government Ordinance 1979 (PLGO 1979) and they brought both rural and urban areas in it for urban they made municipal committee and municipal corporation and for rural they made Union council and District Council from 1979 to 2000-2001 this system worked, in 2001 there was a demolition Plan, which was Punjab Local Government Ordinance 2001 (PLGO 2001) this Ordinance removed the urban rural divide and it was its salient feature, all area declared as urban, in the section 117 of PLGO 2001 declared all area as rating area which means urban area so in all place TMA’s and above them there are district governments so the whole tehsil was declared as rating area and every one enjoyed municipal services which were only in urban areas. 2001 to 2008 this system was operational but after that this was dissolved and appointed administrators and they were given the powers of the Nazim and House there was a TMO and 4 Thesil Officers (TO) (TO Planning, TO Regulation, TO Infrastructure, TO Finance) and Tehsil Accounts Officer (TAO) for audit because every payment was pre audited and without this procedure there was no payment issued so this was the basic setup of these TMA’s. There is a new Act which is Punjab Local Government Act 2013 (PLGA 2013) but is was implemented recently, the repealing clause of 2001 repealed in 2017 and with section 154 they hold elections with that clause but it was not implemented now they formed new institutions 1 metropolitan corporation 12 Municipal corporation 35 district councils and overall 229 institutions are formed.

There were changes in the laws but in terms of empowerment PLGO 2001 was the best but bureaucracy did not facilitated it to flourish they never implemented monitoring clauses there was a concept of district ombudsmen but they did not implemented because of almost absolute powers in hands of Nazims and PLGO 2001 was formed after understanding achievements of a lot of countries. If we compare subcontinent the only base of the local government system among neighbor countries are from Lord Rippen Resolution.

All areas were declared as Urban but now they declared Urban UC’s and district council got permission for municipal services because TMA was not provided with any funds. There is another provision that if an Urban UC wants to perform its own Municipal functions so it needs to get permission for performing its functions and it is allowed to collect some tax to function but it is not notified and its tax remains with it no one can claim and expenses are pre audited. District council also given the functions of the TMA for water, sewage, Cleanliness etc but if an urban UC wants to have its own Municipal functions it needs approval and it also allow them to collect certain taxes and made expense as per need but still district council is custodian of it at the end. MPCL, MC, DC and MC there are two other local governments exist District Education Authority and District Health Authority and these are body corporate which means a legal Person which can be sued so health and education are out of the district council or municipal committee. Development works are with the DC or MC as per their need/share.

Organogram/Setup there is one house of elected people on one side and administration on the other side from 2, 3 or 4 people elected as Mayor, Chairman and voice chairman but now vice chairman is convener of the house and it is the executive authority. There is a Chief Officer under a Mayor which is also principal accounting officer and below him 4 MO (Municipal Officer) in municipal committee in small cities, 5 DO (District officer) in District Council and 1 MO or DO infrastructure (basically an Engineer), 1 MO or DO finance for maintaining all finance, 1 MO or DO planning (for Mapping, building Control, approval of Housing Scheme, Conversion etc), 1 MO or DO regulation (for regulations) at divisional headquarters 1 MO or DO services like(fire brigade).

Taxation is basically any toll, other charges which are provided under the Punjab Local Government Act in third schedule there is a difference between tax and fee, tax is universal fee is about specific services like parking charges are fee because it is about specific service but tax is for all like tax on electricity. Continuity of tax is continued as they were in third schedule there are no new high fi taxes there were 13 to 14 departments devolved in 2001 but now there are not in so there are no new taxes. Whenever local government want to implement new tax they there is a certain procedure which we call Taxation Proposal, institution’s finance officer works out through the year and makes proposal and gives it to mayor or chairman, who advertises this for objections and after listening and addressing those objections he forward’s it to the government for wetting, if government does not presumes it in 30 days then he puts in front of the house and after putting house approves it. Tax reduction, tax increase and tax abolish is under the taxation rules 2016 under 4th schedule. Property tax implementation is also under these local governments and they need to follow the same taxation process but because of the rating area there is little difference because excise is accessing authority and collects tax and returns 85% of the tax to the local government in case of the new property tax it needs to have 500 constructed units with the services provided or Promised to be provided in this way he can increase tax. When you imposed some tax then you also need to recover it, there is a taxation bill which includes period for which you are imposing, tax for which craft, if someone do not pay what are his/her liabilities and till when you have to pay if someone does not pays tax you send the notice of demand which he needs to present in 30 days he needs to pay money or raise objection and it also includes 25 rupees of recovery tax then you send another notice in 15 days and finance officer writes that even after sending demands and notices he is not giving us tax so then you send it to the collector and according to 1967 Act you can declare him. There are few offences in 4th and 5th schedule what kind of offences that fall in and what schedule and cluse are the punishment in part one there is an imprisonment for 7 years in Part 1 of 4th Schedule fine can be 500000 and if he/she continues 15000 fine can be charged on daily basis in 4th schedule part 2 imprisonment is for three years and charges are 100000 in form of fine in part 3 of 4th schedule that has imprisonment for 6 months and fine is 5000 and there is a whole system for understanding that, Like part 1st and 2nd of the 4th schedule under CRPC you can also report and FIR/report. There is a concept of enforcement inspectors which was also in the 2001 ordinance, Mayor can with the approval of the house nominates enforcement inspector, if there is a serious threat to the public in terms of safety or wellbeing, life or property or someone is doing violation of bylaws so an inspector in area of his jurisdiction he can seal property, seas goods issues directions but this inspector cannot enter into any dwelling without permission of people the other function of the inspector is to assist the local government in sending demand notices, bills etc in 4th schedule there is a clause about compounding house member/ chairman can make a committee if someone did an offence so they have the power to compound and there is a concept of municipal wardens, you can appoint municipal wardens with approval of the house and those wardens have powers under police order 2002.

There are two kind of revenues one is on source revenue (OSR) mentioned in Act that you can have these kind of taxes TTI Property tax/Immoveable property tax License, permits, Government grant, it has two types general grant and Development grant, general grants have rules and Punjab finance commission is also formed which explain that how much we need to send every institution and government gives them grant in aid for excluding the exit tax or octray so that is why government gives them grant in aid and it has two types one general funds (for meeting contingency, salaries and day to day expenses) second is Development grant which is exclusive for the development so this is the major stream of finances.

There are two kind of taxes on the property registration TTI (which is 1 or 2% of valuation) and this is issued by the DCO there is another tax on value/money that goes to revenues like Assistant Commissioner/Thsildar or registrar every tax goes to its specific treasury in registry of property out of 7 % tax 2 % goes to TMA and 5% goes to revenue like DC/Thesildar . On Source Revenues remains with local government. Through PFC award on provincial level they tell how many funds a local government of a tehsil or district is going to have and they allocate it to a place keeping in mind the population, backwardness, usage, Area requirements and area needs they devised the formula to finance department. There is a third fund in name of actualization grant (mostly inform of general grant and practiced very often) for the back ward areas there is a transition grant which is going to end in june. Octray system was way better than this taxation that we have now, if someone did hard work he got its fruits so local councils were sustainable at that time because they had their source in their hands and local government’s money is non-lapsable this cannot be returned. MO planning is responsible for the Environment maintaining park if there no PHA (Parks and horticulture Authority), if there is PHA then this function is with them. There are lot if companies in Lahore and Punjab as well which are performing or going to perform municipal functions in 2013 Act we have provision of Companies working as limb or arm of these institutions the staff and funds also transfers from these institutions to the companies these institutions still has their function but company is working on their behalf. Health and Education Authorities are going to have 50% of the people from Lcal Government. Local government has an academy in Lala Musa and local government has one objective which is provision of municipal services.