



PUNJAB VIDHAN SABHA

Bill No. 22-PLA-2017

**THE PUNJAB MUNICIPAL INFRASTRUCTURE DEVELOPMENT FUND
(AMENDMENT) BILL, 2017**

A

BILL

further to amend the Punjab Municipal Infrastructure Development fund Act, 2011.

BE it enacted by the Legislature of the State of Punjab in the Sixty-eighth Year of the Republic of India as follows :—

1. (1) This Act may be called the Punjab Municipal Infrastructure Development Fund (Amendment) Act, 2017.

Short title and commencement

(2) It shall come into force on and with effect from the date of its publication in the Official Gazette.

2. In the Punjab Municipal Infrastructure Development Fund Act, 2011 (hereinafter referred to as the principal Act), for the existing long title, the following long title shall be substituted, namely :—

Substitution of long title of Punjab Act 11 of 2011

“to provide for grant-in-aid to the Municipalities with a view to constitute the Punjab Municipal Infrastructure Development Fund to provide financial assistance to the Municipalities for their development and for the matters connected therewith or incidental thereto.”.

3. In the Principal Act, in section 2,—

Amendment in section 2 of Punjab Act 11 of 2011

(i) clause (a) shall be omitted; and

(ii) after clause (c), the following clause shall be inserted, namely:—

“(cc) “grant-in-aid” means the grant-in-aid provided from the Consolidated Fund of the State as compensatory payment under the State Budget till the financial year 2020-2021;”.



Amendment in section 3 of Punjab Act 11 of 2011.

4. In the principal Act, in section 3,—

(i) for sub-section (2), the following sub-section shall be substituted, namely:—

“(2) The grant-in-aid shall be deposited into the Fund :

Provided that the amount of grant-in-aid, so deposited into the Fund, shall not be less than Rs. 200 crore (Two hundred crore rupees) per annum or proportion thereof :

Provided further that the amount of grant-in-aid shall increase at the rate of fourteen per cent per annum over the previous year :

Provided further that the amount of grant-in-aid shall be deposited into the Fund on monthly basis.”; and

(ii) sub-section (3) shall be omitted.

Substitution of section 5 of Punjab Act 11 of 2011.

5. In the principal Act, for section 5, the following section shall be substituted, namely :—

“5. The grant-in-aid, referred to in sub-section (2) of section 3, shall be deposited in to the Fund in such manner, as may be prescribed.”.

Substitution of section 6 of Punjab Act 11 of 2011.

6. In the principal Act, for section 6, the following section shall be substituted, namely :—

“6. The Director shall maintain the accounts of the grant-in-aid deposited in to the Fund and the expenditure made out of the Fund.”.

Amendment in section 9 of Punjab Act 11 of 2011.

7. In the principal Act, in section 9, in sub-section (2), for clause (b), the following clause shall be substituted, namely :—

“(b) for prescribing the manner in which the amount of grant-in-aid under section 5 is to be deposited.”.



STATEMENT OF OBJECTS AND REASONS

The State Government has decided that provisions may be made to enable the State Government to provide the Grant-in-aid till the financial year 2020-21 under the Punjab Municipal Infrastructure Development Fund in lieu of share of Additional Tax, levied and collected under the Punjab Value Added Tax Act, 2005, after the implementation of Punjab State Goods and Service Tax Bill, 2017. Accordingly, the present Bill, i.e. the Punjab Municipal Infrastructure Development Fund (First Amendment) Bill, 2017 aims to make suitable amendments in the Punjab Municipal Infrastructure Development Fund Act, 2011. Hence this Bill.

NAVJOT SINGH SIDHU,
Local Government Minister, Punjab.

FINANCIAL MEMORANDUM 

The State Government has decided that provisions may be made to enable the State Government to provide the Grant-in-aid till the financial year 2020-21 under the Punjab Municipal Infrastructure Development Fund in lieu of share of Additional Tax, levied and collected under the Punjab Value Added Tax Act, 2005, after the implementation of Punjab State Goods and Service Tax Bill, 2017. Accordingly, the present Bill, i.e. the Punjab Municipal Infrastructure Development Fund (First Amendment) Bill, 2017 is proposed to be placed before the Punjab Vidhan Sabha for consideration.

So far as financial aspect is concerned, the Urban Local Bodies will be able to receive the Grant-in-aid from the Punjab Municipal Infrastructure Development Fund after the passage of Bill. Hence, there will be no financial liability on the Municipalities.

The Governor has, in pursuance of clause (1) and (3) of Article 207 of the Constitution of India, recommended to the Punjab Legislative Assembly, the introduction and consideration of the Bill.

CHANDIGARH :
The 23rd June, 2017.

SHASHI LAKHANPAL MISHRA,
Secretary.

N.B.—The above Bill was published in the *Punjab Government Gazette (Extraordinary)*, dated the 23rd June, 2017 under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly).