

# THE PUNJAB LOCAL GOVERNMENT (PROPERTY) RULES 2003

[21<sup>st</sup> October, 2003.]

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[NO.SOV(LG)5-54/03]

[21<sup>st</sup> October, 2003.]

**PRELIMINARY**

**1. Short title and commencement.-** (1) These Rules may be called the Punjab Local Government (Property) Rules, 2003.

(2) They shall come into force at once.

**2. Definitions.-** (1) In these rules unless the subject or context otherwise requires-

- (i) 'Committee' means the Committee constituted under rule 8, 17(4) and 18(5);
- (ii) 'hazardous waste' means a waste which contains a substance or mixture of substance i.e. toxic, explosive, flammable, corrosive, radioactive or is likely to cause, directly or in combination with other matters, an adverse health or environmental effect and includes hospital waste, nuclear waste or any other waste declared by the Government as hazardous waste;
- (iii) 'industrial waste' means solid, semi-solid, unwanted or residual materials from an industrial operation and it may be hazardous or non-hazardous waste;
- (iv) 'Manager' means a person prescribed in the Rules of Business of the Tehsil/Town Municipal Administration and District Government responsible for the administration, control, management and maintenance of the Property and, in case of Union Administration, the Union Nazim shall be the Manager of the Property;
- (v) 'municipal solid waste' means solid waste generated within the jurisdiction of a local government except slaughter house, hazardous hospitals or hazardous industrial waste but includes:
  - (a) domestic waste (exclusive of hazardous waste) consisting of garbage and rubbish such as bottles, cans, clothing, plastics, disposables, off packaging, food scraps, newspapers and magazines, plastics and yard trimmings that originates from a household;
  - (b) commercial waste (market waste);
  - (c) Institutional wastes (schools, hospitals (non-hazardous), public offices, etc.);
  - (d) street sweeping waste;
  - (e) garden waste (tree trimming and grass cutting waste);
  - (f) solid waste collected from a drain or water course in an urban area;
  - (g) construction or demolition waste;
  - (h) industrial waste (except waste generated in designated industrial estates);
  - (i) agricultural waste from farm and agricultural activities including poultry, cattle farming, animal husbandry, residues from the use of fertilizers, pesticides and other farm chemicals;
- (vi) 'Ordinance' means the Punjab Local Government Ordinance, 2001 (XIII of 2001);
- (vii) 'Property' means the Property as specified in Chapter-XIII of the Ordinance;
- (viii) 'Redundant or Encroached Property' means the Property declared by the Government as Redundant or Encroached; and
- (ix) 'solid waste' means any undesirable or superfluous matter, material, by-product or residue of any process or activity that has been discarded, accumulated or stored for the purpose of treatment, discarding or recycling and may be solid or semi solid, and may originate from domestic, commercial, medical or industrial or other activities, but does not include any liquid, gas or gaseous product.

(2) Words and expressions used herein, but not defined in these Rules shall have the same meanings as are assigned to them in the Ordinance.

## **MANAGEMENT AND MAINTENANCE OF PROPERTY**

**3. Management of Property.**- The Local Government concerned, with approval of its Council, shall take such steps as may be necessary to ensure that the Property vested in the District Government, Tehsil/Town and Union Administration respectively is managed and maintained in the best interest of the public for the purposes of the Ordinance.

**4. Responsibilities of the Manager.** - The Manager shall –

- (a) take as much care of the Property entrusted to him as a man of ordinary prudence would, under similar circumstances, take of his own property of like nature;
- (b) administer the property as a trust used to the maximum benefit of the public;
- (c) take steps to ensure that Property meant for use of public is actually
- (d) ensure that the rented Property fetches the maximum rent;
- (e) prevent the impairment of the value and utility of the rented Property;
- (f) prevent the use of Property for any purpose and in any manner other than specified;
- (g) take necessary steps for repair of all buildings under his management and control;
- (h) keep all title deeds and other documents, relating to the Property with duplicate copies of such title deeds and other documents, in safe custody;
- (i) have the boundaries of lands of the Local Government demarcated;
- (j) ensure the maintenance of prescribed registers;
- (k) be vigilant about and to check encroachments or wrongful occupations on Property and in case there is any encroachment or wrongful occupation take necessary steps for the removal thereof; and
  - (1) prevent the Property against nuisance, damage or misuse;
  - (2) The Manager shall be responsible to the Local Government for any loss, destruction or deterioration of the Property, if such a loss, destruction or deterioration occurs as a result of his default or negligence in discharge of his responsibility.
  - (3) Notwithstanding any thing contained in sub rule (1), the overall responsibility for the proper management and maintenance of the property shall remain with the concerned Local Government.

**5. Maintenance of Property.** - (1) In case any difficulty arises in the maintenance of Property, the Manager shall immediately report the matter to the concerned Council. The Authority concerned of the Council shall within a week of the receipt of such intimation call the meeting of the Council and place the matter before it for further decision.

(2) The following registers shall be maintained in prescribed form by the concerned officer of the Local Government.

- I. Register of Immovable Property. P-I
- II. Register of Nazul Property. P-II
- III. Rent Demand and Collection Register. P-III
- IV. Arrears Demand and Collection Register. P-IV
- V. Register of Public Roads and Streets. P-V
- VI. Register of Encroachments. P-VI
- VII. Register of unauthorized occupants of land P-VII or building(s)
- VIII. Building maintenance register. P-VIII
- IX. Roads and streets maintenance register. P-IX
- X. Agricultural lands register. P-X
- XI. Register of road side trees. P-XI
- XII. Register of trees and land of local council. P-XII
- XIII. Register of fruit bearing trees. P-XIII

- XIV. Register of movable Property. P-XIV
- XV. Register of furniture. P-XV
- XVI. Register of vehicles. P-XVI
- XVII. Sale of goods register. P-XVII
- XVIII. District Register. P-XVIII
- XIX. Register of light points and lamp posts. P-XIX
- XX. Register of water stand posts. P-XX
- XXI. Stock Register for expendable stores. P-XXI
- XXII. Library register containing the detail of books. P-XXII
- XXIII. Library books issue register. P-XXIII
- XXIV. Newspapers register. P-XXIV
- XXV. Postage stamp register. P-XXV
- XXVI. Purchase of goods register. P-XXVI
- XXVII. Register of all kind of machinery. P-XXVII
- XXVIII. Register of animals. P-XXVIII
- XXIX. Register of losses. P-XXIX
- XXX. Register of Community Centers and other public places. P-XXX
- XXXI. Any other register prescribed by the Government or specified by the concerned Local Government.

**6. Map of the Local Area.-** (1) The Local Government may maintain a map or maps of its local area showing, among other things, the immovable Property vested in it.

(2) A copy of each map or maps may be kept at the office of the Local Government for inspection by the Public during office hours.

**7. Verification and Stock Taking of Property.-** (1) The Manager, in the month of July each year shall –

- (a) take stock of the movable Property under his charge;
- (b) verify the immovable Property under his charge;
- (c) submit a report to the concerned Council showing the result of such stock taking and verification including:
  - (i) particulars of unserviceable articles;
  - (ii) losses and wastage if any;
  - (iii) cases of defalcation of accounts or misappropriation of Property, if any; and
  - (iv) proposal for development and improvement, if any.

(2) Every Zila Nazim, Tehsil Nazim/Town Nazim and Union Nazim shall, on assumption of his office and thereafter, once in every year on a date fixed by him, take the physical stock of movable and immovable Property of the concerned Local Government and submit a report to the concerned Council, in accordance with Section 123 of the Ordinance.

## ENCROACHMENTS AND REDUNDANT PROPERTY

**8. Committee for Identification of Redundant/Encroached Property.**- (1) The following Committee shall be constituted to identify, prepare and send report to the Government and dispose of the Redundant/Encroached Property.

Sr. No.	Designation	Status
1.	Zila Nazim.	Chairman
2.	<sup>1</sup> District Coordination Officer.	Secretary
3.	Executive District Officer (F&P).	Member
4.	Tehsil/Town Nazim concerned.	Member
5.	Tehsil Municipal Officer concerned.	Member

(2) The Committee shall send its report to the Government in the form of Schedule-I, requesting the Government to declare the Property as Redundant or Encroached, as the case may be, and grant of permission for its disposal.

(3) The Government may declare the Property as Redundant/Encroached, as the case may be, and accord permission for its disposal:

Provided that the Government shall give due regard to the master plan of the concerned city or town, as the case may be, while declaring Property as Redundant/ Encroached

**9. Procedure for auction of Redundant/Encroached Property.**- (1) The Property shall be auctioned only after its having been declared Redundant/ Encroached Property and grant of permission for its disposal.

(2) The following procedure shall be adopted for its auction:-

- (a) the auction shall be made only through open auction;
- (b) for the conduct of an auction, besides local means, a public notice in not less than two national daily newspapers and at least seven days before the date fixed for auction shall be given by the Local Government, through the office of Director General, Public Relations, Punjab;
- (c) the notice shall contain the date, time and place of auction and specify the terms and conditions for participation in the auction;
- (d) the public notice shall reflect the Khasra numbers of the Property to avoid any complication;
- (e) the plots or portions carved out for the purpose of auction shall be of appropriate size and shall be demarcated at site before auction in such a way that the bidders are aware of the actual position of the plots or portions;
- (f) the auction shall be held as far as possible at the place of the situation of the Redundant/Encroached Property or at the place nearest to it;
- (g) the auction price shall not be less than the price assessed by the District Price Assessment Committee, constituted under relevant rules/procedure prescribed by Board of Revenue, Punjab;
- (h) before the start of auction, all bidders shall deposit two percent as earnest money of the official reserve price;
- <sup>2</sup>(i) if the Government does not accept the bid, the earnest money deposited shall be refunded forthwith to the person depositing it; and if the bid is accepted:
  - I. the earnest money shall be adjusted against the bid price of the property;
  - II. the bidder shall deposit the total bid price, excluding the amount deposited as earnest money, within forty five days of the auction; and
  - III. if the bidder fails to make the payment within the stipulated period, the earnest money shall stand forfeited and fresh auction shall take place;" and

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<sup>1</sup>Substituted by amendment dated 27-8-2011

<sup>2</sup>Ibid

- (j) the plots shall be advertised for auction only after clearance of all encumbrances; and
- (k) the auction shall be subject to the concurrence of the Council and final approval of the Government.

(3) No immovable Property of a Local Government, other than declared Encroached/Redundant as herein before provided, shall be sold.

**10. Right of Legal Occupants.-** The legal occupant shall be allowed the right of first refusal of the highest bid.

**11. Approval of Auction.-** The recommendations of Committee shall be placed before the concerned Council and in case of its concurrence, the same shall be forwarded along with resolution of the Council to the Government for its final approval: Provided that the Government may approve the bid, cancel it or order fresh auction.

**12. Utilization of proceeds of auction.-** (1) Funds accruing from such auction shall be kept in a separate account in accordance with the provisions of the Ordinance relevant rules and instructions of Government.

(2) The amount received from such auction/sale shall be utilized exclusively for development projects by the concerned Local Government and no part thereof shall be apportioned for non-development expenditures like salary, or purchase of vehicles or office equipments, etc.

#### **DISPOSAL OF MOVABLE PROPERTY**

**13. Unserviceable articles.-** (1) The District Nazim, Tehsil/Town Nazim and Union Nazim, as the case may be, may declare any movable Property, including stationery, furniture and fixture and the utensils, vesting in the concerned Council, as unserviceable: Provided, that the vehicles, machinery, electric utensils can only be declared as unserviceable upon the recommendation of a duly approved Government engineer or engineering concern.

(2) Any movable Property which has been declared as unserviceable shall be disposed of by the concerned Local Government through open auction in the manner and to the extent as prescribed in Schedule-II.

(3) A list of the Property sold or disposed of under sub-rule (2) shall be placed before the Local Government concerned, from time to time for information.

**14. Writing off the unserviceable articles and losses.-** All the articles declared unserviceable under sub -rule (1) of rule 13 and the loss of Property reported by the Nazim concerned shall be written off by the authority as mentioned in Schedule-II

**15. Acquisition of Property.-** (1) Whenever any land or other immovable Property is required by a Local Government for any purpose mentioned in the Ordinance, the concerned District Nazim, Tehsil/Town Nazim and Union Nazim, as the case may be, may take such steps as may be necessary to acquire the same by an agreement with the owner on behalf of the council after inviting quotations through the Press and subject to other conditions as provided in the Punjab Local Government (Contract) Rules, 2003.

(2) If any land or other immovable Property cannot be acquired by an agreement under sub-rule (1) the Local Government may move for the acquisition of such property under the relevant law.

#### **MISCELLANEOUS**

**\*\*16. Lease of immovable Property.-**Subject to these rules, the immovable Property may be leased out in the following manner:

(a) the immovable Property shall be given on lease through competitive bidding and the procedure prescribed in sub-rule (2) of rule 9 shall, mutatis mutandis be followed;

(b) for the lease of Nazul lands vesting in the Local Government, policy of the Government for leasing of these lands shall be followed; and

(c) the legal occupant of the immovable Property shall be allowed the right of first refusal of the highest bid.”

**317. Auction of solid waste.**– (1) Subject to sub-rule (2), as far as possible, a local government shall sell the solid waste through open auction on the basis of competitive bidding.

(2) A local government shall not auction the hazardous waste.

(3) The maximum period for sale of solid waste shall be twenty years which shall be divided into at least three stages, the initial sale period shall not be more than ten years and the remaining period shall not be extended for a period of exceeding five years at a time.

(4) A committee headed by the District Coordination Officer and comprising the Executive District Officer (Municipal Services), Tehsil/Town Municipal Officer and Tehsil/Town Officer (I&S) and District Excise & Taxation Officer shall conduct the auctioning of solid waste of a City District Government or Tehsil Municipal Administration.

(5) The committee shall conduct the auction of solid waste and, after completing the auction proceedings shall forward its recommendations to the Zila/Tehsil Council for confirmation or rejection of the auction.

(6) The committee shall fix reserved price and every bidder shall deposit ten percent of the reserved price as earnest money in the funds of the local government to enable him to take part in the auction proceedings and the local government shall retain the earnest money of the successful bidder as security for successful completion of the sale contract.

(7) As far as possible, the Zila/Tehsil Council shall confirm or reject the auction proceedings within fifteen days after receipt of the case referred to it by the committee and if the Council rejects the auction proceedings, the solid waste may be re-auctioned and the process may be initiated within one month.

(8) In case the successful bidder does not make payment within the stipulated period, his earnest money shall stand forfeited and the solid waste may be placed for re-auction.

(9) The auction price for the first year shall be deposited by the successful bidder in advance within ten days of the communication to him of confirmation of his offer and he shall execute a written agreement containing the terms and conditions of the sale:

Provided for each subsequent year, the auction price shall be paid in advance by the bidder by 10<sup>th</sup> day of the first month of each auction year.

(10) In case of default in timely payment, a penalty at the rate of fifteen percent per annum shall be charged, in addition to the amount of default; provided that the agreement shall stand automatically cancelled in case default continues for more than ninety days.

(11) Three months before the expiry of the entire auction period, solid waste shall be put to open auction in accordance with the procedure mentioned above and the existing contractor, subject to payment of outstanding dues, if any, shall have the first right of refusal of the highest bid.

(12) Where the initial or extended contract period has expired, further extension within the total contract period may be granted on the current market price assessed by the auction committee and approved by the local government.

(13) The contractor shall be responsible for the safe recycling, treatment and disposal process of the solid waste after collection from the local government and he shall follow all laws, rules, regulations, byelaws and other mandatory requirements such as the relevant local government and environmental approvals.

(14) The contractor shall take adequate measures to minimize the possible pollution of air, water and soil.

(15) The employees, agents and contractors of the local government may visit or inspect facilities of the contractor established for the recycling, treatment and disposal process of the solid waste.

(16) The local government may conduct a third party audit of the solid waste recycling, treatment and disposal process facilities of the contractor on annual or biannual basis.

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<sup>3</sup> Inserted vide gazette Notification dated 13-4-2011.

**418. Lease of immovable Property for petrol pumps etc.**– (1) A local government shall grant lease of immovable Property through open auction for the purposes of establishment of petrol pump, CNG station or service station.

(2) Unless, it is specifically provided otherwise, the following categories of immovable Property shall be deemed to have been expressly excluded from the purview of lease under this rule:

- (i) Property reserved or earmarked for public purpose;
- (ii) Property reserved or earmarked for allotment under permanent schemes;
- (iii) all mines, minerals and quarries including all substances of mineral nature which may be excavated from the earth, whether on the surface of or under the land with liberty to search for, work and remove the same, as full or any part thereof as if the tenancy had not been granted;
- (iv) all rivers and streams with their beds and banks; and
- (v) all water courses and drainage channels, and all public thorough-fares existing thereon and to be constructed in future as shown in the plans which are open for inspection at the office of the local government.

(3) The size of a plot leased out under this rule shall be up to a maximum of eight kanal and minimum of two kanal in rural area and maximum of two kanal and minimum of one kanal in an urban area.

(4) Notwithstanding anything contained in this rule, the limit on size of plot shall not apply to the existing sites of petrol pumps, CNG stations or service stations.

(5) A Committee headed by the District Coordination Officer and comprising the Collector of the District, District Excise and Taxation Officer, District Officer (Roads) and Tehsil/Town Municipal Officer shall conduct auctioning of lease of immovable Property under this rule.

(6) A local government shall identify the immovable Property for auction under this rule and refer the matter to the District Coordination Officer.

(7) The Committee shall assess the market rent of the immovable Property on the basis of recommendations of the District Rent Assessment Committee notified by the Board of Revenue, Punjab.

(8) The Committee shall, with the permission of the Divisional Commissioner, treat the assessed rent as the base rent for obtaining bids in the auction.

(9) Every bidder shall deposit one fourth of the assessed or base rent as earnest money in the funds of local government.

(10) The local government shall retain the earnest money of the successive bidder as security for successful completion of the lease period.

(11) The Committee after completing the auction proceedings shall forward its recommendations to the Zila, Tehsil or Town Council for confirmation or rejection of the auction.

(12) The Council may confirm or reject the auction proceedings within fifteen days after receipt of the case referred to it by the Committee.

(13) If the Council rejects the auction proceedings, the Committee shall re-auction the immovable Property in accordance with this rule.

(14) In case the successive bidder fails to make payment of dues within stipulated period, the local government shall forfeit his earnest money of security and refer the case to the Committee for re-auction.

(15) After confirmation of the auction, the successful bidder shall deposit the lease rent of the first year within ten days of the communication of confirmation of auction and execute a lease deed with the local government.

(16) The local government shall within ten days of the deposit of the lease rent for the first year and execution of the lease deed hand over possession of the immovable Property to the lessee:

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<sup>4</sup> Inserted vide gazette Notification dated 13-4-2011.



Provided that for the subsequent years of lease, the lessee shall pay the lease rent in advance in the month of January with ten percent annual increase in the rate of existing rent and other charges, if any.

(17) In case of default in payment of advance annual rent in the month of January, a penalty at the rate of fifteen percent per annum shall be charged in addition to the rent and the lease deed shall automatically stand cancelled in case of default of payment of the rent within ninety days of the first day of January of that year for which the rent became due.

(18) The maximum period of lease of immovable Property under this rule shall be thirty years.

(19) The initial lease period shall not be more than fifteen years and for the remaining period, the lease period shall not be extended for more than ten years at one time.

(20) The local government and the Committee shall complete the process of re-auction of the immovable Property at least three months prior to the expiry of the maximum period of lease.

(21) Where the initial or extended period of lease has been expired, the local government may grant further extension of the lease period remaining within the maximum lease period on the concurrent market rent assessed by the District Rent Assessment Committee notified by the Board of Revenue, Punjab and approval of the Divisional Commissioner.

(22) In case of re-auction of the immovable Property due to the expiry of the lease period, the ex-lessee shall have first right of refusal subject to payment of outstanding dues, if any.

(23) Where the ex-lessee fails to exercise his option under sub-rule (22), he shall, within thirty days from the date of offer for exercise of option of first right of refusal, remove the structure, machinery or equipment constructed or installed at the immovable Property.

(24) If the ex-lessee fails to remove the structure, machinery or equipment from the land within the stipulated time, the local government shall remove the same and hand over the possession of the vacant land to the successful bidder and recover the cost of removal of the structure, machinery or equipment from the ex-lessee as arrears of land revenue.

(25) In the event of death of the lessee during the currency of lease, the lease holding rights shall be inheritable by his legal heirs.

(26) A lease under these conditions shall be subject to all rights of way, water and easement, if any subsisting thereon.

(27) The lessee shall not cut or remove any tree from the immovable Property without permission in writing of the local government and without payment of price thereof as estimated by the local government.

(28) The lessee shall not remove sand, earth or any minerals from the immovable Property.

(29) The lessee shall not use the land or any part thereof for any purpose other than the one for which the lease has been granted, provided that the lessee may erect buildings, construct tanks or make any other improvement for better use of immovable Property or its more convenient use for the aforesaid purpose.

<sup>5</sup>(30)

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<sup>5</sup> Omitted vide amendment dated 27-8-2011.