



No.SOR(LG)39-7/2015
GOVERNMENT OF THE PUNJAB
LOCAL GOVERNMENT & COMMUNITY DEVELOPMENT
DEPARTMENT

Dated Lahore, the 20th March, 2017

To

1. All Mayors of Metropolitan / Municipal Corporations in Punjab.
2. All Chairmen, District Councils in Punjab.
3. All Chairmen, Municipal Committees in Punjab.

Subject: **TRANSFER OF ASSETS AND THE HUMAN RESOURCE OF DEFUNCT CO UNITS TO THE UNION COUNCILS HAVING URBAN CHARACTERISTICS NOTIFIED UNDER SECTION 72(2) OF PLGA, 2013**

I am directed to refer to this Department's letters dated 03.02.2017 and 16.02.2017 on the subject noted above and to inform that various queries are pouring in the Department regarding supply of municipal services, payment of salaries of staff and pension, deployment of staff for such municipal services; collection of taxes, fees, etc., by the district Council or the UC having urban characteristics and other ancillary matters.

2. In order to redress the grievances of general public, staff, pensioners and the hardships being faced by the local governments in performance of their functions under PLGA 2013, the following guidelines are hereby issued for compliance by all concerned:

- (a) Requisite posts of staff already deployed in erstwhile CO units may be reflected in the SOE of District Council concerned to ensure supply of municipal services through said staff within the areas of union councils having urban characteristics, wherever available;
- (b) Budgetary provision in the Budget of District Council concerned for development and non-development expenditure may be made separately to ensure regular payment of utility bills, contingent expenditure for provision of municipal services and payment of salaries to the said staff deployed in the UC having urban characteristics;
- (c) Collection of fees/taxes against services provided by the District Councils may be managed at the level of District Council and for this purpose, separate bank accounts may be maintained in accordance with the Punjab Local Governments (Accounts) Rules, 2017 and the instructions issued by the Finance Department in this regard, from time to time;
- (d) The collection of fees, taxes, etc., mentioned in Part-I of Third Schedule under heading "**Additional Taxes and Levies**" will not be recovered by the union council concerned except where the union council is performing the municipal functions with the approval of District Council as provided in Section 72(2) of the Act *ibid*;
- (e) Fees, taxes, etc., other than those stated above, will be levied and collected by the UC concerned in accordance with the Punjab Union Councils (Accounts) Rules, 2017;
- (f) Assets, machinery, equipment and HR already handed over to a Municipal Committee as successor of TMA concerned in pursuance of plan for distribution of assets and liabilities, may be reviewed by the Deputy Commissioner to the extent that staff and assets in excess of actual requirement of the relevant MC may be placed at the disposal of District Council for managing municipal services within the area of defunct CO units declared as union councils having urban characteristics;

Contd P. 2

