

## **Chapter – 11**

### **Best Practices**

- **Best Practices of other States**
- **Best Practices of State's Panchayati Raj Institutions**
- **Best Practices of State's Urban local bodies.**



**11.1** Through the constitutional amendment, along with providing constitutional form to the local bodies as a unit of local governance, financial arrangements have been made for the local bodies to discharge the duties given in the constitution. Apart from the amount received from its own sources and on the recommendation of the Central Finance Commission, a provision has been made in the constitution to provide a certain percentage of taxes, duties and tolls collected by the state to the local bodies on the recommendation of the SFC. On the recommendation of the SFC, different processes of devolution of funds provided by the states to the local bodies are adopted. Similarly, efforts are made by the local bodies in different ways to increase the income from their own sources. If an innovative initiative results in positive outcomes, then such an initiative becomes a best practice for achieving similar results. generally, no system is absolutely good or best, but it can be relatively good or less good. Among the systems being adopted for devolution of funds to local bodies of the state and initiatives taken by the local bodies to increase their own source income, such systems and initiatives which can be emulated have been included in this chapter.

1. Adopting a new system or method for implementing a specific project or innovative program solving a specific problem which has a positive impact on performance and results in improvement in the system can be called best practice.

### **Devolution System of Funds to Local Bodies of ODISHA State:**

**11.2** In compliance with the Constitutional provision, a certain percentage of taxes, duties and tolls i.e. tax and non-tax income is collected by the state and devolved or transferred to the local bodies on recommendation of the SFC. The system followed by each state for devolution of funds provided on the recommendation of the SFC is different. The Fifth ODISHA SFC has recommended limiting the amount devolved to local bodies to 10 percent of the net divisible pool. The devolution of funds to local bodies by the Government of ODISHA is done in the following manner-

#### **(1) Untied Amount:**

A part of the amount to be devolved or transferred to local bodies is provided as untied amount. Out of the total recommended amount to be devolved or transferred over a period of five years between 2020 to 2025, 29% is proposed to be released as untied amount. Detailed guidelines have been issued by the concerned Departments to spend this amount. A copy of the guidelines issued by the ODISHA Government, Panchayati Raj and Drinking water Department for the use of the funds to be devolved on the recommendation of the 5th SFC is given for perusal (Annexure 11.1)

## **(2) Assigned Receipts:**

On the recommendation of the Fifth ODISHA SFC, 7.46% of the revenue from State Goods and Service Tax (SGST) is being provided as assigned receipts to the local bodies of the State. Salaries, allowances establishment, Meeting fees honorarium and travelling allowances of public representatives etc. are met from this amount. In addition to the State Goods and Service Tax (SGST), 8.03% of the motor vehicle Tax has been assigned to Panchayati Raj Institutions and Urban Local Bodies for the improvements and maintenance of Roads. The share of assigned receipts in the total recommended devolution or transferred amount is 38%.

## **(3) Grants**

The amount required for the development of certain areas is met partially or completely in the form of Grants. 33% of the total recommended devolution or transferred amount is given to local bodies as grants. The main areas included for grant are tap water supply, provision of facilities in Gram Panchayat headquarters, Street lights, maintenance of panchayat properties, construction of capital assets, innovative practices, cleanliness and solid waste management in cities, development of water areas etc. Detailed guidelines for utilization and follow-up mechanism of specific grants in-aid are issued by the Finance Department in consultation with the High-Level monitoring committee on Grants.

- 11.3** The amount devolved to Gram Panchayat, Janpad Panchayat and District Panchayat on the recommendation of the SFC is released directly into the approved accounts of these bodies, which is integrated with PFMS and IFMS through PRIASOFT. The amount is released in two instalments, first in June and second on October or November.
- 11.4** Another major feature of the devolution of the Odisha Government to the local bodies is that the local bodies can do any work in their area by converging with other schemes of the state government. For this, the share of the local bodies is sanctioned from the grant head.

## **Municipal Corporation Indore, Madhya Pradesh**

- 11.5** Under Swachh Bharat mission (Urban), cleanliness awards are given by the ministry of Housing and Urban Affairs, Government of India. Under the swachhta sarvekshan Awards, Indore has received the cleanest city award in the country for the 6th consecutive time in 2022 in the category of cities with a population of more than one lakh. It is not easy for any organization to reach the top, for this, the organization has

to make various efforts. Following works have been done by municipal corporation Indore to reach the top of cleanliness-

### **Increase in Revenue Receipts**

**11.6** Any organization needs funds along with a strategy to achieve its goals. Indore municipal corporation has also given special emphasis on increasing income from its own source for revenue receipts of the corporation. The share of corporation income from its own sources has increased from 25% in 2020-21 to 34%, in 2022-23. 60% of the own source income comes from property tax. The collection of service charge has also been the highest in the last 3 years. For seven-star Ranking, collection of 75% of service charges from the residential areas and 90% from the commercial area is mandatory. Apart from this the municipal corporation raised funds for developmental works by taking a loan of Rs. 320 crores in 2020-21 and issuing bonds worth Rs. 244 crores in 2022-23.

#### **Total Revenue Receipts of Indore Nagar Nigam**

(Rs in lac)

<b>S. N.</b>	<b>Description</b>	<b>2020–21</b>	<b>2021–22</b>	<b>2022–23</b>
1.	<b>Income from Own sources</b>	48316.41 (25.16)	72460.10 (40.04)	74415.81 (34.33)
2.	<b>Assigned Revenue and Regular Grants</b>	71717.24 (37.35)	70987.30 (39.22)	77076.53 (35.55)
3.	<b>Project Grants and Capital Receipts</b>	39965.08 (20.82)	37519.35 (20.73)	40895.30 (18.86)
4.	<b>Loan and Bonds</b>	32000.00 (16.67)		24400.00 (11.26)
<b>Grand Total</b>		<b>191998.73</b>	<b>180966.75</b>	<b>216787.64</b>

Source-Presentation given by Municipal corp. Indore before the SFC C.G.

**11.7** To increase the collection of service charges, following efforts have been made by municipal Corporation Indore-

- Organizing special campaign for awareness
- Participation of Senior Government Officials and politicians in special campaigns.

### **Strategic initiatives-**

**11.8** Like other cities before becoming number one in the country in the field of cleanliness, Indore also faced many challenges. Unmotivated employees, Lack of public participation, lack of trust towards Indore municipal corporation, lack of door

to door collection, lack of plastic waste management system and inadequate infrastructure were the major challenges. To face these challenges, the following initiative were taken by Municipal Corporation Indore.

- Reviewing of city's Infrastructure and Sanitation Workers exactly 'as they are'.
- Regular meetings with key stakeholders – Safai Karmcharis Unions NGOs, corporation employees and Common citizens.
- Focussing on 'door to door' and source separation.
- Litter Free City Initiative - Special focus on waste detection.
- Organizing NGOs with door to door cart to encourage each family.
- To ensure participation of MLAS, Mayor, Chairman, Councillors etc in every activity and Initiative of Indore municipal corporation.
- Field visit by the corporation staff under the leadership of commissioner between 6-6.30 A.m.
- Purchase of vehicles and machines related to waste management.
- Capacity building in key areas at the municipal corporation level- phasing out of rented machinery, equipment, cancellation of contracts given to private sector for waste transportation and establishment of ISO certified vehicle repair workshop.
- Training and upgradation of vehicle workshop employees (maintenance of 100% vehicles in Corporation's workshop) `

#### **Role of NGOS in Solid Waste Management: -**

**11.9** NGOS have an important contribution in establishing the process adopted by Indore Municipal Corporation for solid waste management 6 NGOS have been attached with the corporation. In each ward 4 to 6 people from these organizations are attached with corporation employees. NGOs were organized in the process as follows-

- People of non-government organizations were attached with 'door to door' vehicles.
- Family related information were collected by NGOs.
- Awareness programs were conducted by these organizations over the weekend.
- The services of NGOS were taken to encourage ward residents to donate garbage and segregate it at home to give it to garbage vans and to prepare route plans for garbage vans.

### **Separate collection of waste**

**11.10** Initially two types of garbage, wet and dry were collected separately by Indore municipal corporation through door-to-door vehicles now 6 types of garbage are collected separately by corporation from the houses.

- Wet Garbage
- Plastic Garbage
- Non- plastic Garbage
- Sanitary waste
- Domestic hazardous waste
- Electronic waste

### **Community Participation**

**11.11** The soul of Solid Waste Management of Indore Municipal corporation is the public participation or people's participation Various types of efforts were made by the corporation to get the co-operation of the people so that the garbage should be segregated from their homes and given to the garbage vehicles. The efforts made for this are as follows -

1. Women's participation
2. Use of Information, Education and communication methods to get separated six types of wastes from homes
3. Awareness campaign for how to wrap up sanitary wastes.
4. Decentralized dry garbage collection method.

### **Processing of Collected wastes**

**11.12** In the cleanliness sector, proper disposal of the collected wastes is more important than collecting the waste from households, public places and Commercial institutions. This is the reason why Indore Municipal Corporation has done proper disposal of the collected waste by processing wet and dry wastes separately.

### **Processing of wet wastes**

**11.13** Bio-CNG plant has been installed by the Corporation for processing of wet waste. Apart from this, arrangement for decentralized waste management has also been made. About 750 metric tons of wet waste is processed though both the mediums. Under the decentralized system following process is being adopted -

- Pit composting
- Composting system at garbage site
- Composting in mobile van
- Home composting

- Composting in gardens through waste drums
- Large scale composting system

### **Processing of dry waste**

**11.14** On an average 481 tonnes of dry waste is generated per day from the Indore municipal corporation area, for processing dry waste, the corporation has a centralized system of 600 tonnes per day and a decentralized System of 44 tonnes per day. Under the decentralized system, individually useful materials are sorted and separated from dry waste in 'Material Recovery Facility' centres. Mechanical arrangements have been made for separate disposal of the entire quantity of sanitary waste, domestic hazardous Waste, and electronic waste which are generated 10.8, 4.4 and 2.2 tonnes per day respectively

### **Other Important Initiatives**

**11.15** Cleanliness is a continuous process. After becoming the cleanest city of the country for the first time in the year 2017, Indore municipal corporation is continuously working to make the city clean and beautiful. The following works of Indore Municipal Corporation are also noteworthy in the endeavour to make the city clean and beautiful -

- Manufacturing paver tiles from building construction material and building demolition waste.
- Development of forest at the old landfill site in corporation's area through biological excavation and biological treatment -salvation of 100 acres of land.
- Ban on single use plastic.
- Use of "swachchhata app Indore 311" for complaint redressal.
- Various works to enhance the beauty of the city- construction of adequate parking, beautification of river drains, removal of stray cattle.
- Construction of public facilities i.e. community and public toilets.
- Generating Income from Carbon- credit the first city of country.

### **Best Practices of Panchayati Raj Institutions of the state**

#### **Gram Panchayat Patna District - Baikunthpur**

**11.16** Patna Gram Panchayat of Baikunthpur Janpad Panchayat of Korea district in Chhattisgarh is leading in generating income from its own source. Due to obtaining a good amount of income from its own source, the functioning of Gram Panchayat Patna is included among the best systems by the ministry of Panchayati Raj, Government of India. As per Census 2011, the total population of Patna Gram Panchayat is 5124, of which 2551 are males and 2573 are females. 16-16 percent of

the total population are people from scheduled Caste and scheduled tribe category. There is a total of 20 wards in the Gram Panchayat.

### **Tax and Non-Tax Income heads**

**11.17** Apart from statutory taxation; various types of service charges have also been imposed by Gram Panchayat Patna to increase its income from its own sources. Among the taxes, Water tax, lighting tax and the profession tax are the main source of income. Under various types of service charges, fees are being charged for land change animal registration, certificates of residence, caste income etc, certificate for electricity and other purposes, building construction permission and license for trade. The ponds of the Gram Panchayat area have been given on lease for fish-farming and shops have been given on rent after constructing commercial complexes. The various types of fees charged by the Gram Panchayat have been determined as follows-

**Table 11.1**

#### **Tax and Fee rates determined by Gram Panchayat Patna**

<b>S.N.</b>	<b>Name of Tax</b>	<b>Prescribed Rate</b>	<b>S.N.</b>	<b>Name of Tax</b>	<b>Prescribed Rate</b>
1.	Water Tax	100 Rs per Month	11.	Heir certificate	Rs. 20
2.	Lighting Tax	-120 Rs per Month	12.	No objection certificate for electricity and other purpose	Rs.20
3.	Profession Tax	Rs 300 to 1400 per Year	13.	Building permit certificate	Rs.20
4.	Land Diversion Fees	Rs 10 per Square Meter	14.	Land Transfer	Rs.100
5.	Non-Residential (Commercial Tax)	Rs 15 per Square Meter	15.	Regularization of Unauthorized Construction	Rs.500
6.	Animal Registration Fees	Rs 20 per Animal	16.	Hotel, Motor vehicle repair permit	Rs.500
7.	Pond lease	In Hactares, Determined by Fisheries Deptt,	17.	Hotel, Motor vehicle shop renewal fees	Rs.200
8.	Building Rent	Based on Square ft.	18.	Licence for other business	Rs.100
9.	Market Fees Collection	According to Panchayat Act,	19.	Mobile tower permission fees	Rs.25000
10.	Residence, Cast Certificate	Rs.10	20.	Mobile tower renewal fees	Rs.10000

Source – Directorate Panchayat C.G.Govt.

### Income received from own source

**11.18** Patna Gram Panchayat has received an annual Income of Rs. 27.85 lakh from its own sources in the year 2018-19. Under its own income, the highest income of Rs. 22.59 lakh is being received from the rent of shops in commercial premises. In subsequent years, due to the decline in the income from rent of shops and the covid period of 2019-20 and 2020-21. the Income from own sources has decreased, but it again increased to Rs. 18.67 lakh in 2021-22- Market fees, business registration fee and pond contract are important heads of income from own sources which are available in Table no. 11.2

**Table 11.2**  
**Patna Gram Panchayat's own Income from Various Sources**

(Amt in Rs.)					
S.N.	Description	2018-19	2019-20	2020-21	2021-22
<b>Tax Revenue</b>					
1	Water Tax	1,14,730	75,500	60,910	41,050
2	Lighting Tax	11,460	8,530	4,180	3,530
	<b>Total</b>	<b>1,26,190</b>	<b>84,030</b>	<b>65,090</b>	<b>44,580</b>
<b>Non-Tax Revenue</b>					
3	Market fee	1,90,325	4,19,913	2,81,640	3,33,911
4	Animal registration fee	2,675	250	0	0
5	Land purchase and Transfer fee	600	4,200	2,100	0
6	Income from various issued certificates	4,910	4,840	3,060	4,200
7	Business registration fee	16,100	23,000	20,000	28,200
	<b>Total</b>	<b>2,14,610</b>	<b>4,52,203</b>	<b>3,06,800</b>	<b>3,66,311</b>
<b>Other Income</b>					
8	Korea Neer	1,52,295	13,800	12,000	0
9	Commercial premises shop rent	22,58,837	8,48,968	6,38,875	13,94,954
10	Pond contract	18,545	39,591	60,370	33,240
11	Mobile tower	10,000	10,000	0	25,000
12	Other income	4,910	12,540	32,095	3,500
	<b>Total</b>	<b>24,44,587</b>	<b>9,24,899</b>	<b>7,43,340</b>	<b>14,56,694</b>
	<b>Grand total</b>	<b>27,85,387</b>	<b>14,61,132</b>	<b>11,15,230</b>	<b>18,67,585</b>

Source- Directorate Panchayat C.G.Govt.

### Structure of income received from own sources

**11.19** Taking a look at the structure of income received from own sources it appears that on an average 5 percent of Patna Gram Panchayat's own income comes from taxes, 21% from non-taxes i.e. various types of the fees and highest 75%. amount comes from special sources of income i.e. Renting of shops, pond contract, mobile tower installing fees. Head wise, highest 68%. income is received from the rent of shops in commercial premises, this can be seen in Table no. 11.3.

**Table 11.3**  
**Structure of income received from own sources**

S.N.		(As a percentage of total income from own sources, %)			
Description		2018–19	2019–20	2020–21	2021–22
<b>Tax Revenue</b>					
1	Water Tax	4-1	5-2	5-6	2-2
2	Lighting Tax	0-4	0-6	0-4	0-2
	<b>Total</b>	<b>4-5</b>	<b>5-8</b>	<b>6-0</b>	<b>2-4</b>
<b>Non-Tax Revenue</b>					
3	Market fee	6-8	28-7	26-0	17-9
4	Animal registration fee	0-1	0-0	0-0	0-0
5	Land purchase and Transfer fee	0-0	0-3	0-2	0-0
6	Income from various issued certificates	0-2	0-3	0-3	0-2
7	Business registration fee	0-6	1-6	1-8	1-5
	<b>Total</b>	<b>7-7</b>	<b>30-9</b>	<b>28-3</b>	<b>19-7</b>
<b>Other Income</b>					
8	Korea Neer	5-5	0-9	1-1	0-0
9	Commercial premises shop rent	81-1	58-1	57-3	74-7
10	Pond contract	0-7	2-7	5-4	1-8
11	Mobile tower	0-4	0-7	0-0	1-3
12	Other income	0-2	0-9	2-9	0-2
	<b>Total</b>	<b>87-8</b>	<b>63-3</b>	<b>66-7</b>	<b>78-0</b>
	<b>Grand total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

### **Appointment of Employees by Gram Panchayat**

**11.20** Nine employees have been hired by the Panchayat for the operation and management of the facilities being provided to the villagers by the Gram Panchayat and for execution of office work. These employees include one accountant, one data entry operator, five pump drivers, one Peon and one post of Sweeper. All of them are employees of Gram Panchayat and Rs. 45000 per month is spent on the salaries of these employees out of the income received by the Gram Panchayat from its own source.

### **Facilities provided by Gram Panchayats**

**11.21** Various types of public welfare works are being done by the Gram Panchayat for the convenience and welfare of its residents. R.O. Drinking water is being provided by the Panchayat at minimum rates in the name of 'Korea Neer'. To organize social, family and religious functions, two community buildings have been built in Gram Panchayat. Ponds have been beautified. Lighting facility has been arranged in main

streets. A bus stand has also been built. Tap water facility is being provided. Solar high mast light has been installed in the major place of Gram Panchayat.

### **Ways to increase income from own source:**

**11.22** Apart from the grants and scheme funds, to be received from the central and state Government, the Gram Panchayat officials are aware enough about increasing the income from their own sources. Panchayat officials also agree that by increasing the Gram Panchayat's own income, more and more facilities can be provided to the citizens. This also reflects in the functioning of Gram Panchayat. In order to increase its own income, following efforts are being made by the Gram Panchayat -

- Organizing regular meetings of Gram Sabha and Panchayat officials.
- Sharing the functioning of Gram, a Panchayat with the villagers in Gram Sabha meetings.
- To do more and more work to make the lives of villagers comfortable.
- visiting various localities of the Panchayat from time to time and listening the problems of the people.
- Maintaining lively relations between Gram Panchayat and villagers.

#### **Box 11.1 : Steps being taken by Gram Panchayats to increase their own income**

- Plantation of fruit trees in Gram Panchayat
- Collecting vehicle fees from the vehicle owners who come to extract sand from the jark river.
- Earning income by developing boating facility in river and ponds
- Discussion are made in each Gram Sabha about strengthening the Gram Panchayat's income
- To auction for planting crops across the pond deepening done under MNREGA
- Determination of sanitation tax
- To impose fish farming tax in village ponds
- Imposing tax on all the shops in Gram Panchayat

### **Gram Panchayat Tengnabasa, Distt. Gariyaband**

**11.23** Tengnabasa tribal dominated Gram Panchayat is located in chhura Janpad Panchayat of Gariyaband district. Most of the population depends on agriculture for livelihood. Gram Panchayat has been included under the best practices due to its special achievements in the field of earning income from its own sources. Three dependent villages of Gram Panchayats are Tengnabasa, Ravanbhatha and Lalapur. The total population of the Gram Panchayat of fifteen ward is 1623 and the number of families in the Gram Panchayat is 546. The minimum rates of obligatory and optimal taxes optional are imposed by the Gram Panchayat under Panchayati Raj Act 1993.

## Available facilities

**11.24** There are 4 Aangan badi centers, 3 primary schools, 2 middle schools, 1 primary health centre, 3ponds and 15 hand pumps in the Gram Panchayat. Tap water facility is being made available in all three dependent villages, street lighting - facility is also available in all three dependent villages.

## Taxation

**11.25** Light tax, house tax and Trade tax has been Imposed by the Tengnabasa Gram Panchayat under the obligatory taxes. In optional taxes, water- tax, Pond lease and mobile tower fee is being collected by the Gram Panchayat. Apart from obligatory and optional taxes, fees are being charged for issuing building permits and making cast and residence certificate.

**11.26** The special achievement of Gram Panchayat in the field of collecting income from its own source is that 99% of the tax amount is being recovered against the tax demand. In the year 2021-22, Rs. 325220 has been recovered by the Gram Panchayat against the tax demand of Rs. 328470 of the income received from own sources, highest 92% comes from optional taxes and 7% comes from obligating taxes. only one percent amount is received from the fees charged for issuing building permits and caste and residence certificates. These facts can be seen in Table no.

11.4.

**Table 11.4**  
**Income received from own sources of Gram Panchayat Tengnabasa**

(Amt In Rs.)							
S . N .	Name of Tax	Balance amount for year 2020-21	Demand amount for year 2021-22	Total demand amount	Recovery amount	Percentage of recovery	Outstanding amount
<b>Obligatory Tax</b>							
1	Lighting Tax	600	11,400	12,000	10,950	91.25	1,050
2	House Tax	600	11,400	12,000	10,950	91.25	1,050
3	Business Tax	—	1,350	1,350	1,200	88.89	150
<b>Total</b>		<b>1,200</b>	<b>24,150</b>	<b>25,350</b>	<b>23,100</b>	<b>91.12</b>	<b>2,250</b>
<b>Optional Tax</b>							
4	Water Tax	—	76,000	76,000	75,000	98.68	1,000
5	Pond lease	—	2,15,000	2,15,000	2,15,000	100.00	2,000
6	Mobile tower	—	10,000	10,000	10,000	100.00	—
<b>Total</b>		<b>—</b>	<b>3,01,000</b>	<b>3,01,000</b>	<b>3,00,000</b>	<b>99.67</b>	<b>3,000</b>
<b>Other fees</b>							
7	Building permit Tax	—	2,000	2,000	2,000	100.00	—
8	Residence, cast certificate fees	—	120	120	120	100.00	—
<b>Total</b>		<b>—</b>	<b>2,120</b>	<b>2,120</b>	<b>2,120</b>	<b>100.00</b>	<b>—</b>
<b>Grand Total</b>		<b>1,200</b>	<b>3,27,270</b>	<b>3,28,470</b>	<b>3,25,220</b>	<b>99.00</b>	<b>5,250</b>

Source- Directorate Panchayat C.G. Govt.

### **Efforts being made to increase income from own sources**

**11.27** The measures to be adopted by Gram Panchayat Tenganahasa to increase income from own sources and taxation is as follows-

- Organizing Gram Sabha in all dependent villages of Gram Panchayat as per PESA Act on fixed dates 6 times a year.
- Giving information about annual income and expenditure in Gram Sabha.
- Reading of list of tax payers and outstanding tax payers in gram Sabha
- In the Gram Sabha information is given about the works being done for public welfare by the Gram panchayat from the income received from its own sources. The works done from its own income include maintenance of streets. Payment of electricity bills of street lights, expansion of electrification, cleaning and maintenance of ponds and hand pumps, maintenance of government buildings, organization of national festivals and casual programs.
- To highlight the importance of taxation in the annual Gram sabha.

- Discussing the budget in the Gram sabha while setting priorities to fulfil the basic needs at the village level.

**Box 11.2 Efforts being made by Gram Panchayat in Chhattisgarh to increase Tax Collection**

- Organization of regular and special camps in Gram Panchayats for recovery of taxes
- Passing tax recovery proposal in special Gram Sabha.
- To bring awareness for payment of taxes in the village through munadi and drama
- To consider, increasing the income through taxation in Gram Panchayat meetings.
- Honouring the first taxpayer in the Gram Sabha.
- Tax recovery campaign by Gram Panchayat.
- Consensus building in Gram Sabha on imposition of tax.
- Making announcement form kotwar in Gram Panchayat for payment of tax.
- Spreading awareness regarding tax by school children.
- Writing on walls for payment of taxes.
- Approval in Gram Sabha for mandatory tax collection.
- Reading of taxation related rules in Gram Sabha.
- To encourage people to pay taxes by holding meeting in all paras, tolas and mohallas of Gram Panchayat.
- Giving information's related to taxation in the meeting of Gram Panchayat and Gram Sabha.
- Whenever there is a Gram Sabha in Gram Panchayat, taxation and tax collection are discussed.
- Organization of awareness rally.
- Collection of taxes through self- help groups.

**Best Practices of state's urban local bodies**

**Municipal Corporation Raipur**

**11.28** Raipur is the capital of chhattisgarh and a major industrial and commercial city of the state. According to census 2011, the Population of Raipur municipal corporation is 1048120. Raipur municipal corporation is spread over an area of 178.35 square km.

Own source income constitutes a significant portion of the total receipts of the local bodies. Own income of local bodies reduces the dependence on the state for discharging its obligations and provides freedom in policy determination. This is the reason; local bodies, especially urban bodies want to increase their own income. Various steps have been taken by municipal corporation Raipur also to increase income from its own sources. Some important initiatives made by corporation are as follows-

### **Measures to Increase property tax collection**

**11.29** Property tax is the biggest source of own income for local bodies. All urban bodies pay special attention to the collection of property taxes. The following steps have been taken by Raipur Municipal Corporation to bring all the properties under the ambit of Property tax, ensure transparency in tax payment and increase the income from property tax by removing the shortcoming and Inefficiencies in tax collection.

#### **1. Drone based GIS survey of properties**

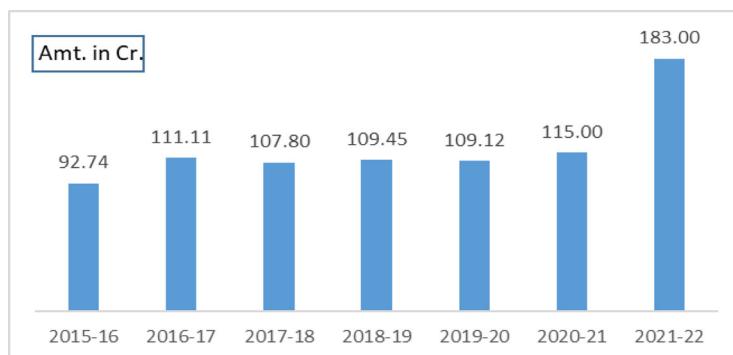
**11.30** Raipur Municipal Corporation has conducted drone-based GIS survey of all the properties falling in the corporation area. Unique identity cards have been provided to all the properties through the survey. Complete information about the property like home, area, demand and location etc, has been obtained through the survey. Along with identification of new properties, digitalization of 1.9 lakhs old properties have also been done through the field Survey.

**11.31** Software for this purpose was developed in 2017-18. The project could not be implemented between the years 2018-21 due to various reasons. The Project was implemented in the financial year 2021-22.

#### **Impact**

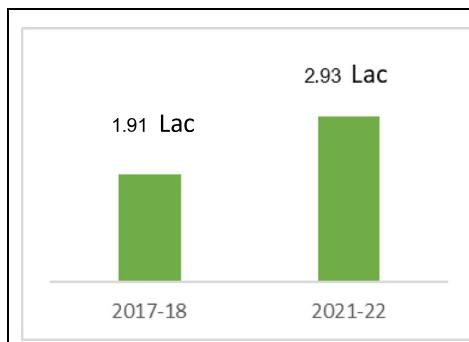
**11.32** The project has had a positive impact on the revenue received by Raipur Municipal Corporation from property tax. From the year 2015-16 to 2019-20 the revenue from property tax was almost stable and was around Rs. 110 crores. After the implementation of project, property tax collection increased to Rs. 183 crore in the year 2021-22.

**fig 11.1: Property tax collection**

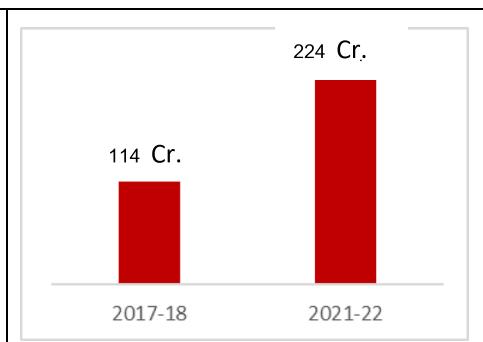


**11.33** After the implementation of the project in the year 2021-22, the number of registered properties has increased by 53 percent as compared to the year 2017-18 and the property tax demand has also increased by 96 percent in the same period. This can be seen through the Graphs.

**fig 11.2 Registered Property**



**fig 11.3 Property Tax Demand**



Source - Presentation of Municipal corporation of Raipur in front of State Finance Commission

## 2. Launching of mobile App

**11.34** "Mor Raipur" Mobile App has been launched by Raipur municipal corporation in order to improve the service system by using Information technology, bring transparency in work, and reduce the gap between citizens and the services of corporation. Through the app, citizens can access a variety of services provided by the corporation. The major ones among them are as follows-

- Payment of Property tax.
- Status of building construction permission proposal.
- Application for new water connection.
- Transfer of Property
- Information of property.
- Registration of citizens complaints

### Impact

**11.35** After the launching of the mobile app, In one year in 2022-23 49095 complaints were made by the citizens through the app, out of which 48362 complaints were resolved out of the total 3.29 lakh taxpayers, 1.52 crore of property tax was paid by 22400 taxpayers through the mobile app 2971 applications for property transfer and 210 applications for tap connection were received.

## 3. Digital Door Number plate

**11.36** Raipur Municipal Corporation has also taken up the project of installing digital door number plates on all the identified properties after surveying the properties falling under the corporation's Jurisdiction. Its main objective is to create an accurate

database for the characteristics of all commercial and residential properties as well as to provide a unique identification number to each establishment/ property. The same unique ID will also be used to provide municipal services efficiently. As per the proposal project, DDNs can also be used in future to generate revenue and for other purposes as follows-

- Taxi service
- Food and E-Commerce delivery
- Emergency Services as Ambulance and law and order
- For KYC support in Banking and Insurance claims and premiums.
- local e-commerce
- For General address

**11.37** The digital door number can be used for other purposes along with increasing the revenue from the services provided by the municipal corporation -

- Tap - connection
- Identification of illegal building construction.
- Regularization of unauthorized building construction
- Citizen complaints.

### **Impact**

**11.38** At the time of installation of digital door number plates, many properties on which property tax was not assessed were brought under the purview of property tax, due to which the tax assessed properties increased by 3 to 4 percent. There has been an increase in online payments through the property tax code given in the Digital Door Number plate. Online tax receipts have Increased from Rs. 2 lakh per day in 2021 to Rs.8 to 9 lakh per day in 2022.

### **Other measures to increase Income from own source**

#### **sale of the treated drain water**

**11.39** In order to increase the revenue from its own source municipal corporation Raipur has made a plan to treat the dirty water coming out of the drains of the city and sell it to big companies. 170 MLD of water from 17 drains of Raipur city and surrounding rural areas fall into Kharun river. To stop and treat this dirty water, the municipal corporation has established three sewerage treatment plants of 200 MLD capacity with an expenditure of Rs. 261 crores. currently, 160 MLD water is being treated every day from these plants, this water will be sold to companies Half a dozen companies have also given their consent to purchase the clean water coming out of the sewerage treatment plant According to the contract, the corporation will get Rs.

10 for 1000 litters Thus, with this scheme, on one hand the water of dirty drains of Raipur will be prevented from getting into the Kharun River, while on the other hand, the corporation will also get additional revenue.

#### **"Installing water meters" on tap connections of houses**

**11.40** Raipur Municipal Corporation is working on facility of providing 24 hours water supply to the people of the city. Initially there is a plan to provide 24 hours water supply to 2.40 lakh People of 15 wards. For this, water meters will be installed in homes, which will show how much water is being used by people. At present, if there are 5 members in a house, the consumption of 750 litters of water has been made slandered by the corporation. If 750 litters of water is consumed in a house the corporation will collect water tax at the old rate of Rs. 240 per month. But if more than 750 litters of water is consumed, additional amount will be charged. The implementation of this scheme will yield the following positive results –

- Citizens will get regular water supply 24 hours a day.
- Along with quantity of water, its quality will also be monitored.
- Problems like leakage and overflow in pipelines can be controlled.
- There will be reduction in non-revenue water supply.
- Revenue of Municipal Corporation will increase.

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