



**FINANCE DEPARTMENT
GOVERNMENT OF SIKKIM
GANGTOK, SIKKIM**

No. GoS/Fin/FCD/2021-22/01/273

Dated: 20th June 2022

NOTIFICATION

In exercise of the powers conferred by Article 243I and 243 Y of the Constitution of India read with Chapter X of Sikkim Panchayat Act, 1993, The Sikkim Municipalities Act, 2007, and in pursuance of section 3 of the Sikkim (Constitution of Finance Commission) Rules, 1995, the Governor of Sikkim is pleased to constitute the Sixth State Finance Commission consisting of Smt. Tashi Cho Cho, Secretary, Home and Administrative Reforms Commission as the Chairperson with the following officers as members: -

1. Smt. Roshni Rai,
Special Secretary,
Urban Development Department - Member
2. Shri Basant Lama,
Director Panchayat,
Rural Development Department - Member
3. Shri Raj Narayan Pradhan,
Director (Accounts),
Rural Development Department - Member Secretary

2. The Chairperson and the other Members of the Commission shall hold the office from the date on which they respectively assume office and not later than 1st August, 2022 for a period of six months unless the Governor extends the term for the purpose.

3. The Commission shall make recommendations as to the following matters, namely: -

(a) The principles which should govern: -

(i) The distribution of fund between the State and the local bodies namely Zilla Panchayats, Gram Panchayats, Municipalities, Municipal Councils and Nagar Panchayats, of the net proceeds of the taxes, duties, tolls and fees leviable by the State which may be divided between them under part IX and IX A of the Constitution of India and the allocation between the Zilla Panchayats, Gram Panchayats and Urban Local Bodies at all levels of their respective shares of such proceeds;

(ii) The determination of taxes, duties, tolls and fees which may be assigned to or appropriated by the Zilla Panchayats, Gram Panchayats, Municipalities, Municipal Councils and Nagar Panchayats;

(iii) The Grants-in-Aid to the Zilla Panchayats, Gram Panchayats, Municipalities, Municipal Councils and Nagar Panchayats from the Consolidated fund of the State.

(b) The measures needed to improve the financial position of the Zilla Panchayats, Gram Panchayats, Municipalities, Municipal Councils and Nagar Panchayats.

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4.The Commission shall also: -

(i) Examine and suggest the extent to which and the manner in which the resource available to the local bodies could best be utilised for meeting the expenditure of the bodies;

(ii) Make a detailed analysis of the repayment of loans and advances, if any, extended by the Government from time to time to the local bodies and make suitable recommendations for repayment of Government dues and make possibility of adjusting these dues against future devolution of revenues from Government to these bodies;

(iii) Examine the resources of the Local Bodies for the five years commencing on 1st April 2025, on the basis of the existing and proposed level of taxation and non-tax revenues likely to be reached by the end of fiscal year 2029-30. Any new taxes and duties leviable during the award period may be taken into consideration.

5.In making its recommendations, the Commission shall have regard to, among other things:-

(i) The resources of the State Government and the demands, thereon, on account of expenditure on civil administration, debt servicing, development and other committed expenditure of the Local bodies;

(ii)Suggest to improve the quality of public expenditure to obtain better outputs and outcomes;

(iii) Examine the component of maintenance and up keep of capital assets created by the Local Bodies or transferred by the Government to the Local Bodies.

6.In making its recommendations on various matters, the Commission shall take the base of population figure as of 2011, in all such cases where population is a factor for determination of devolution of taxes, duties and grants-in-aids.

7.The Commission shall indicate the basis on which it has arrived at its findings and make available the estimate of receipts and expenditure of each tier of Local Bodies within the State.

8. The Commission shall submit its recommendations to the Governor within 31st December, 2022, covering the period of five years commencing on the 1st day of April, 2025.

(V.B. Pathak) IAS
Additional Chief Secretary
Finance Department

Copy to:

1. All concerned above
2. All Secretaries/Heads of Departments
3. Secretary to H.E. the Governor
4. Secretary to the Hon'ble Chief Minister
5. Joint Secretary (Conf.) Home Department for publication in Government Gazette
6. File and
7. Guard file.