**PROVINCIAL ASSEMBLY OF THE PUNJAB**

**Bill No. 10 of 2019**

**THE PUNJAB LOCAL GOVERNMENT BILL 2019**

**A**

**Bill**

*to reconstitute local governments in the Punjab and for related purposes.*

It is expedient to reconstitute local governments in the Punjab for effective discharge of certain public services and to provide for their authority and duties for this purpose, and matters connected therewith and ancillary thereto;

Be it enacted by Provincial Assembly of the Punjab as follows:

**PART 1**

**PRELIMINARY**

**Chapter I – Applicability and Interpretation**

 **1.** **Short title, extent and commencement.–** (1) This Act may be called the Punjab Local Government Act 2019.

1. It shall extend to the whole of the Punjab other than the areas notified as cantonments under the Cantonments Act, 1924 (II of 1924), or the Cantonments Ordinance, 2002 (CXXXVIII of 2002), in relation to the matters covered there under.
2. It shall come into force at once.

 **2.** **Definitions.–** In this Act, unless there is anything repugnant in the subject or context:-

1. ‘Act’ means the Punjab Local Government Act, 2019;
2. ‘administration’ means the part of a local government comprising Chief Officer, other officers and servants of the local government;
3. ‘Auditor General’ means the Auditor General of Pakistan appointed under Article 168 of the Constitution;
4. ‘Board’ means the Punjab Local Government Board continued under section 293 of this Act;
5. ‘Cabinet’ means the Cabinet of Ministers, with the Chief Minister as its head as mentioned in Article 130 of the Constitution;
6. ‘candidate’ means a candidate for election under this Act;
7. ‘cantonment’ means a place or places declared and notified as cantonment under the Cantonment Act, 1924 (Act II of 1924), or the Cantonments Ordinance, 2002 (CXXXVIII of 2002) by the Government or Pakistan;
8. ‘census’ means population and housing census taken by the Federal Government under The Census Ordinance, 1959 (Ordinance X of 1959);
9. ‘Chief Minister’ means the Chief Minister of the Punjab;
10. ‘Chief Officer’ means an officer of the local government who is the head of the respective administration and includes a Chief Corporation Officer who shall be the head of the administration of a Metropolitan Corporation;
11. ‘circumstances of emergency’ mean circumstances imminently endangering public health, safety, loss of live or significant or large scale harm to property and require an immediate action;
12. ‘Collector’ means a Revenue Officer appointed under section 7 of the Land Revenue Act, 1967 (Act XVII of 1967);
13. ‘Commission’ means the Punjab Local Government Commission constituted under section 234 of this Act;
14. ‘committee’ means a committee of the council constituted under section 68 of this Act;
15. ‘consolidated fund’ means provincial consolidated fund within the meanings of Article 118 of the Constitution;
16. ‘constituting local government’ means a local government constituting a joint authority established under section 30 of this Act;
17. ‘Constitution’ means the Constitution of the Islamic Republic of Pakistan, 1973;
18. ‘Convenor’ means the convenor referred to at section 18 of this Act;
19. ‘corrupt practice’ means involvement of a head, convenor, councillor, officer or servant of a local government in corruption and includes any of the following:
20. coercive practice by impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence the actions of a party to achieve a wrongful gain or to cause a wrongful loss to another party;
21. collusive practice by arrangement between two or more parties to the procurement process or contract execution, designed to achieve with or without the knowledge of the procuring agency to establish prices at artificial, non-competitive levels for any wrongful gain;
22. offering, giving, receiving or soliciting, directly or indirectly, of anything of value to influence the acts of another party for wrongful gain;
23. any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
24. obstructive practice by harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in a procurement process, or affect the execution of a contract or deliberately destroying, falsifying, altering or concealing of evidence material to the investigation or making false statements before investigators in order to materially impede an investigation into allegations of a corrupt, fraudulent, coercive or collusive practice; or threatening, harassing or intimidating any party to prevent it from disclosing its knowledge of matters relevant to the investigation or from pursuing the investigation, or acts intended to materially impede the exercise of inspection and audit process.
25. ‘corruption’ by a head, convenor, councillor or an officer or servant of a local government or any other person acting under this Act means:
26. accepting, obtaining or offering any gratification or valuable thing, directly or indirectly, other than the legal remuneration, as a reward for doing or for bearing to do any official act; or
27. dishonestly or fraudulently misappropriating, or indulging in embezzlement or misuse of property or resources of a local government; or
28. possession of pecuniary sources or property by himself or any of his dependents or any other person, through him or on his behalf, which cannot be accounted for and which are disproportionate to his known sources of income; or
29. maintaining standard of living beyond known sources of income; or
30. having a reputation of being corrupt; or
31. entering into plea bargain under any law for the time being in force and return the assets or gains acquired through corruption or corrupt practices, voluntarily;
32. ‘Council’ means the council comprising the convenor and other councillors of a local government;
33. ‘councillor’ means a councillor of the council and includes a convenor;
34. ‘defunct local government’ means a local government dissolved under section 3 of this Act;
35. ‘Director Local Fund Audit’ means the Director Local Fund Audit, Punjab;
36. ‘district’ means a District notified under section 5 of the Punjab Land Revenue Act, 1967 (WP XVII of 1967);
37. ‘Election Commission’ means the Election Commission of Pakistan established under article 218 of the Constitution;
38. ‘electoral group’ means two or more candidates, not being the candidates of a political party, who contest elections under this Act on a joint slate for a shared concern for public purpose in relation to the affairs of a local government and are registered as such with the Election Commission;
39. ‘electoral officer’ means an officer appointed for an election under this Act and includes Presiding Officer, Polling Officer and Assistant Polling Officer;
40. ‘electoral roll’ means a roll of all eligible voters in an electoral unit prepared under section 87 of this Act;
41. ‘electoral unit’ means electoral unit constituted for an election under section 84 of this Act;
42. ‘Finance Commission’ means the Punjab Local Government Finance Commission constituted under section 171 of this Act;
43. ‘financial year’ means the year commencing on the first day of July and ending on the thirtieth day of June;
44. ‘government agency’ means an office or entity of the government;
45. ‘Government’ means the Government of the Punjab;
46. ‘head’s cabinet’ means the cabinet of the head referred to in section 18 of this Act;
47. ‘head” means the head of the local government and includes:
48. a Lord Mayor of a Metropolitan Corporation;
49. a Mayor of a Municipal Corporation, Municipal Committee or a Town Committee; and
50. a Chairman of Tehsil Council
51. ‘High Court’ means the Lahore High Court, Lahore;
52. ‘Inspector General’ means the Inspector General of the Inspectorate;
53. ‘Inspectorate’ means the Inspectorate of Local Government constituted under section 204 of this Act;
54. ‘joint authority’ means a joint authority established under section 30 of this Act;
55. ‘local area’ means the jurisdiction of a local government determined under section 8 of this Act;
56. ‘Local Council Service’ means the Local Council Service comprising servants of the local governments constituted under section 292 of this Act;
57. ‘local government’ means a local government constituted under section 3 of this Act;
58. ‘Metropolitan’ means a local area of a Metropolitan Corporation;
59. ‘Minister’ means the Minister as defined in the Punjab Government Rules of Business, 2011 or any other similar law in charge of the Local Government Department;
60. ‘Municipality’ means the local area of a Municipal Corporation or, as the case may be, a Municipal Committee;
61. ‘Neighbourhood Council’ means a neighbourhood council constituted under the Punjab Village Panchayat and Neighbourhood Councils Act, 2019 (Act xx of 2019);
62. ‘officer’ in relation to an officer of a local government shall mean to include a Chief Officer;
63. ‘official gazette’ means the official gazette of the Government;
64. ‘Operating Officer’ means the operating officer of the Authority appointed under section 33 of this Act;
65. ‘Panchayat’ means a Panchayat constituted under the Punjab Village Panchayat and Neighbourhood Councils Act, 2019 (Act xx of 2019);
66. ‘peasant’ means a land less farm worker or a person engaged in subsistence agriculture from not more than five acres of agricultural land whose annual income does not exceed such limit as the Government may from time to time determine having regards to the prevailing poverty line;
67. ‘political party’ means a political party within the meanings of the Election Act, 2017 (XXXII of 2017) or any other relevant law for the time being in force;
68. ‘prescribed’ means prescribed by rules made under this Act;
69. ‘prescribed service’ means the Local Government Service, Pakistan Administrative Service and Punjab Management Service;
70. ‘province’ means the province of the Punjab;
71. ‘provincial allocable amount’ means sums set aside out of the provincial consolidated fund for transfer to one or more local governments under section 182 of this Act.
72. ‘provincial assembly’ means the provincial assembly of the Punjab;
73. ‘public service’ means a service provided by a local government in relation to its functions for the residents;
74. ‘Punjab’ means the province of the Punjab;
75. ‘recognized institution’ means an educational institution recognized by the Higher Education Commission established under the Higher Education Commission Ordinance, 2002 or any other similar agency mandated for this purpose under any other relevant law;
76. ‘regulation’ means a regulation issued under section 306 of this Act;
77. ‘resident’ means a person who ordinarily resides in the local area of a local government, and where relevant as regards the functions of a joint authority, includes persons from outside that area who regularly use facilities or services provided by that joint authority.
78. ‘Rules’ mean rules made under this Act;
79. ‘Secretary’ means the Secretary as defined in the Punjab Government Rules of Business, 2011 or any other similar law, in charge of the Local Government Department;
80. ‘servant of local government’ means an employee of the local government appointed or continued under section 289 of this Act;
81. ‘standing instructions’ mean the standing instructions issued under section 306 of this Act;
82. ‘sub-committee’ means the sub-committee of a committee of the council appointed under section 68 of this Act;
83. ‘Tehsil’ means an area notified as Tehsil under the Punjab Land Revenue Act, 1967 (Act XVII of 1967);
84. ‘Town’ means the local area of a Town Committee;
85. ‘urban local area’ means a Metropolitan, Municipality or a Town; and
86. ‘worker’ means a person who primarily depends upon personal labour or a small scale business for subsistence, a worker as defined in the Industrial Relations Ordinance, 2002 (Ordinance XCI of 2002) and in both cases, his annual income does not exceed such limit as the Government may from time to time determine having regards to the prevailing poverty line.

**Chapter II – Succeeding Local Governments and their General Responsibility**

**3.** **Dissolution of existing local governments.–** (1).All local governments constituted or continued under the Punjab Local Government Act, 2013 (Act XVIII of 2013) are hereby dissolved.

(2). As soon as may be but not later than one year of the commencement of this Act,the Government shall constitute succeeding local governments in accordance with the provisions of section 15 of this Act.

**4.** **Succession.–** (1). Subject to subsection (3) below, each local government shall succeed:

1. such property of a defunct local government located within the limits of its local area which is required by it for the due discharge of any function under this Act;
2. such officers and servants of a defunct local government who, in the view of the Government, are required by it for the discharge of any function under this Act; and
3. such rights, fund, claim or liability or portion thereof which, in the view of the Government, was respectively raised, made or accrued by a defunct local government in relation to areas comprising its local area.
4. Subject to subsection (3) below, the Government shall, having regards to the circumstances appertaining to each case, determine the share of a local government where:
5. any property of a defunct local government is required by two or more local governments for the discharge of a function under this Act;
6. any officer or servant of a defunct local government is required by two or more local governments for the discharge of a function under this Act; and
7. any fund, claim or liability or portion thereof which was respectively raised, made or accrued by a defunct local government in relation to areas comprising the local areas of two or more local governments.
8. No local government shall, unless otherwise provided by the Government, succeed any property, right, fund, claim or liability or portion thereof of a defunct local government which does not pertain to a function assigned to it under this Act.
9. All properties, rights, funds, claims and liabilities of a defunct local government which pertain to a function not assigned to any local government under this Act shall be succeeded by the Government.
10. The Government shall, by a general or special order, provide for the manner of succession and discharge of liabilities, if any, of a defunct local government.
11. The Government shall assign all properties, rights, funds, claims or liabilities among local governments under this section and all disputes relating to this matter shall be referred to and decided by it and such decision shall be final.

 **Explanation:** For the purpose of this section, the term ‘property’ shall include any land, building, office, wok, facility, amenity, vehicle, equipment, plant, store or apparatus.

**5. General authority and responsibility of a local government.–** (1)Subject to and to the extent given under this Act, every local government shall have the authority to run the affairs of respective local area without improper interference.

(2). A local government shall, having regard to the practical considerations:-

(a). exercise its authority and incur expenditure in the best interests of the residents without favour or prejudice in a democratic and accountable manner;

(b). involve all residents in running its affairs and from time to time consult them on the level, quality, range and impact of services;

(c). provide services in financially and environmentally sustainable manner;

(d). give equitable access to services; and

(e). promote and undertake development in the respective local area.

(3). Every resident shall have the right to:

(a). contribute to the running of the affairs of respective local government in accordance with this Act;

(b). prompt response to his written or oral communication, including any complaint, to a local government;

(c). be informed of the decisions of the local government affecting his rights, property and reasonable expectations;

(d). regular disclosure of the state of affairs of the respective local government, including its finances;

(e). demand that affairs of the respective local government are conducted impartially and without prejudice and are untainted by personal self-interest; and

(f). use and enjoyment of facilities and services provided by the local government.

(4). Every resident shall, where applicable, pay promptly toll, tax, fee, rates or other charges imposed by the local government, allow officers and servants of the local government reasonable access to his property in relation to the performance of their duties, and comply with lawful bye-laws or instruction of the local government applicable to him.

**6.** **Local governments to work within the Provincial framework.–** (1). Every local government shall function within the framework of the province and adhere to all applicable federal and provincial laws.

(2). No local government shall do anything or act in a manner that impedes or is otherwise prejudicial to the exercise of executive authority of the Government.

(3). The Government may require a local government to take such measures, or not to act or do anything, or to run its affairs, or to incur expenditure in a manner as is likely to further the objectives of section 5 of this Act.

**7.** **Certain matters to be prescribed.–** Wherever this Act requires anything to be done but does not make any provision or sufficient provision as to the authority by whom it shall be done, or the manner in which it shall be done, then it shall be done by such authority and in such manner as may be prescribed.

**PART 2**

**CONSTITUTION AND FUNCTIONING OF LOCAL GOVERNMENTS**

**Chapter III – Local Areas**

**8.** **Demarcation of local areas.–** (1).As soon as may be, but not later than six months of the commencement of this Act, the Government shall by an order published in the official gazette:-

1. divide all areas comprising the Punjab, excluding such areas which are notified as cantonments, into urban and rural local areas;
2. identify the limits of each local area;
3. having regards to the provisions of section 9 of this Act, classify each urban local area; and
4. name each local area.
5. All areas comprising a Tehsil, excluding areas notified as cantonments and urban local areas, shall be the local area of that Tehsil.
6. As far as may be, each local area shall be compact, contiguous and constitute a territorial unity.
7. Each local area shall constitute territorial jurisdiction of the respective local government.
8. Every order under this section shall be in writing and published in the official Gazette.

**9.** **Classification of urban local areas.–** (1). An area which displays distinct urban features may either be classified as a Metropolitan, Municipality or a Town.

(2). There shall be following nine Metropolitans in the Punjab, namely:

(a). areas comprising the cities of Bahawalpur, Dera Ghazi Khan, Faisalabad Gujranwala, Multan, Rawalpindi and Sahiwal; and

(b). notwithstanding anything contained in section 8 and subsection (1), all areas comprising the district of Lahore.

(4). An area referred to in subsection (1) shall not be classified as a Municipality or a Town, unless it has a population of not less than one hundred thousand and twenty-five thousand respectively as per the last available census.

**10.** **Change of name of a local area.–** The Government may, on its own, or on a resolution of the relevant council approved by not less than two-third of its councillors for the time being in office, change the name of a local area.

**11.** **Periodic review of local areas.–** (1). Every ten years from the commencement of this Act, the Commission, shall review all local areas in the Punjab and if required recommend to the Government extension, curtailment or otherwise alteration of the limits of one or more local areas, or constitution of new local areas, or amalgamation or abolition of existing local areas, or reclassification of a local area.

(2). All recommendations of the Commission under subsection (1) shall be made in the interest of effective and convenient local government, or to reflect interests of residents, or to accommodate changes in the demographics or nature of a local area.

**12.** **Power of the Government to direct special reviews.–** Notwithstanding the provisions of section 11 of this Act, where the Government upon request of the Commission or a resolution of one or more local governments approved by not less than two-third of their respective councillors for the time being in office, or otherwise considers that a special review of all or one or more local areas is necessary, it may, at any time, direct the Commission to conduct a special review of the indicated local areas.

**13.** **Procedure for review of local areas.–** (1). For the purpose of conducting a review under section 11 or 12 of this Act, the Commission shall:-

1. ensure that all local governments, government agencies, other authorities and persons who may be interested in the review are informed of the proposal to conduct it and of any directions of the Government which are relevant to it;
2. consult local governments of the local area effected by the review as well as all the relevant government agencies, other authorities and persons;
3. ensure that all local governments, government agencies, other authorities and persons who may be interested in the review are informed of every draft recommendation, or any interim decision not to make any recommendation or any other such order and of the place or places where such recommendation, order or decision can be inspected; and
4. take into consideration any representations made to it within the period specified for this purpose.

(2). The Government may issue general directions to the Commission for the conduct of review in the aforesaid manner.

**14.** **Changes in the limits and re-classification of local areas**.**–** (1). On the recommendation of the Commission, the Government may, through an order published in the official gazette, extend, curtail or otherwise alter the limits of a local area, constitute one or more new local areas, amalgamate or abolish any existing local areas, or reclassify a local area.

(2). Any extension, curtailment or otherwise alteration of the limits of a local area, constitution of a new local area, or amalgamation or abolishment of an existing local area, or reclassification of a local area under this section shall not be ordered unless a period on not more than three months remains in the term of that local government.

(3). Notwithstanding the provisions of subsection (2), where the Government consider that it will not be in the public interest to postpone this matter any further, it may, at any time, make an order under subsection (1).

**Explanation:** For the purpose of this section, re-classification of a local area shall mean to include change of the existing class of an urban local area to another class of urban local area or re-designation of a rural local area as an urban local area and vice-a-versa.

**Chapter IV – Local Governments**

**15.** **Constitution of local governments.–** (1).The Government shall, having regards to the provisions of section 3 of this Act, constitute local governments of various classes in the following manner:-

1. A Metropolitan Corporation for each Metropolitan;
2. A Municipal Corporation or a Municipal Committee for each Municipality;
3. A Town Committee for each Town; and
4. A Tehsil Council for each Tehsil in the Punjab.

(2).Every local government shall be a body corporate having perpetual succession and a common seal, and, subject to the provisions of this Act, power to acquire, hold and transfer property, both movable and immovable, to contract and to do all other things necessary for the purposes of its constitution; and shall by its name sue and be sued.

**16.** **Name of a local government.–** The Government may, by an order published in the official gazette, specify the name by which a local government shall be known and unless the name of a local government is so specified, it shall be known as the local government of the respective local area.

**Illustration:** Pending an order by the Government, Municipal Committee of a Municipality ‘Z’ shall be known as Municipal Committee Z.

**17.** **Division, amalgamation or re-classification of local governments.–** (1) The Government shall, in accordance with an order under section 14:-

1. divide a local government into two or more local governments; or
2. amalgamate two or more local governments into one local government; or
3. re-classify a local government.
4. When, as a result of such division, amalgamation or re-classification, a new local government is constituted or the limits of a local area are altered under section 14 of this Act:-
5. the existing head, convenor and councillors of a local government which is divided, amalgamated or re-classified shall become the head, convenor and councillors of such new, reconstituted or re-classified local government as the Government may, by an order, specify as if each of such head, convenor and councillors had been elected to that local government; and
6. the new, reconstituted or re-classified local government shall, to the extent and in the manner ordered by the Government, succeed the local government so divided, amalgamated or reconstituted.

(3). Any division, amalgamation, reconstitution or re-classification of a local government under this section shall not be ordered unless a period on not more than three months remains in the term of that local government under section xx of this Act.

(4). Notwithstanding the provisions of subsection (3), where the Government considers that it will not be in the public interest to postpone this matter any further, it may, at any time, make an order under subsection (1).

(5). Every order under this section shall be in writing and published in the official gazette.

**Chapter V – Composition of Local Governments**

**18.** **Local government structure.–** (1).Every local government shall consist of:-

1. a directly elected head;
2. a head’s cabinet comprising such councillors and professionals as is given at section 19 of this Act;
3. a council comprising a convenor and such number and description of councillors as is given at section 20 of this Act; and
4. an administration comprising officers and servants of the local government.
5. A head shall perform such duties and exercise such powers as are mentioned at section 42 of this Act.
6. A convenor shall perform such duties and exercise such power as are mentioned at section 43 of this Act.
7. The administration of every local government shall be headed by a Chief Officer who shall be appointed by the Government from amongst the officers of the prescribed services.
8. The Chief Officer shall perform such duties and exercise such powers as are mentioned at section 45 of this Act.

**19.** **Composition of the head’s cabinet.–** (1). In the case of a Metropolitan Corporation or a Municipal Corporation, the head’s cabinet shall comprise of not more than two councillors who have successfully completed not less than sixteen year of education from a recognized institution and between four to six professionals.

 (2). In the case of a Tehsil Council, the head’s cabinet shall comprise of not more than two councillors who have successfully completed not less than fourteen years of education from a recognized institution and between two to four professionals.

(3). In the case of a Municipal Committee, the head’s cabinet shall comprise of one councillor who has successfully completed not less than fourteen years of education from a recognized institution and two professionals.

(4). In the case of a Town Committee, the head’s cabinet shall comprise of one councillor and one professional.

**Explanation:** For the purpose of this section, a professional shall mean a person who has successfully completed sixteen years of education from a recognized institution and has an experience of not less than ten years in public administration, public finance, education, public health, or any other area relating to the functions of the local government.

**20.** **Representation of councillors in the councils.–** (1).In addition to the head and the convenor, each council shall consist of such number of general councillors and councillors representing women, religious minorities and other special interests in a local area as mentioned in the First Schedule.

(2).Nothing contained in sub-section (1) shall prevent a woman or a person belonging to a religious minority or other special interest group from being a candidate for or elected to a general seat.

**Chapter VI – Functions of Local Governments**

**21.** **Responsibility of local governments.–** (1). For the purposes of this Act:-

1. A Metropolitan Corporation and Municipal Corporation shall be responsible for the functions listed in the Second Schedule;
2. A Municipal Committee and Town Committee shall be responsible for the functions listed in the Third Schedule; and
3. A Tehsil Council shall be responsible for the functions listed in the Fourth Schedule.
4. A local government shall undertake such other functions as are entrusted to it under any other law for the time being in force.

**22.** **Assignment of additional responsibilities by Government.–** Nothing in section 21 of this Act shall prevent the Government from assigning any function to a local government which is not included in the Second, Third or Fourth Schedule on such terms and conditions as may mutually be agreed.

**23. Extent of Government control on functions of the local governments.–** (1). Without any prejudice to the provisions of section 6 of this Act, the Government may, from time to time, give policy directions and fix objectives for the effective, transparent and efficient undertaking of functions by a local government.

(2). A local government shall perform functions listed in Part 1 of the Second, Third and Fourth Schedules in such manner and to such extent as may be directed by the Government.

(3). Having regards to the provision of subsection (1), the council shall provide for the manner and extent to which functions listed in Part 2 of the Second, Third and Fourth Schedules shall be performed by the respective local government.

**24.** **Discharge of functions by local governments.–** (1).Subject to subsection (2) below, a local government may discharge its functions through one or more of the following means, namely:-

1. an officer or servant of the local government;
2. a joint authority established under sections 30 and 32 of this Act;
3. another local government by mutual agreement under section 25 of this Act;
4. an office, authority or agency owned or operated by the Government by mutual agreement under section 26 of this Act; and
5. by contracting out.
6. No local government shall contract out any public service which constitutes or involves the exercise of power to award administrative or other penalties, interferes with or otherwise affects the liberty of an individual, involves the power to enter, search or seize any property, or a power or duty to enforce any law.

**25.** **Delegation of functions to Panchayats and Neighbourhood Councils.–** (1). A local government may by a mutual agreement, delegate one or more of its functions listed in Part 2 of the Second, Third or, as the case may be, Fourth Schedules or one or more public services relating to such function to a Panchayat or Neighbourhood Council.

1. In performance of a function or delivery of a public service delegated under subsection (1), the Panchayat or Neighbourhood Council shall adhere to the general or specific directions of the local government delegating that function.

**26.** **Agency arrangements.–** (1). A local government may, through a written agreement, make arrangements with any other local government, or an office, authority or agency of the Government for any of the following purposes:-

1. provision by any party to the arrangement to the other of any administrative, professional, technical or any other services related to the functions of that local government;
2. the use by one party to the arrangement of any facility, amenity, vehicle, plant, stores or apparatus belonging to the other and placement of the services of any person employed in connection with any facility, amenity, vehicle, plant, stores or apparatus in question;
3. the provision or maintenance by one party to the arrangement of any works, facility, amenity, vehicle, plant, store or apparatus for the provision or maintenance of which the other is responsible.
4. An office, authority or agency of the Government shall not make arrangements under subsection (1) without prior permission of the Government.
5. The expenses incurred by a local government, joint authority or government agency for carrying into effect the agreement under subsection (1) shall be defrayed by the local government for whom services are provided by that local government, joint authority or government agency.
6. In case of a disagreement on the amount of expenses or the actual value of expenses paid by a local government during a particular period, the expenses shall be paid by the local government in such amount and in such manner as may be determined by the Commission.
7. Every local government and the office, authority or agency of the Government acting under this section shall keep separate accounts for the purposes of subsection (3) in the prescribed manner.

**27.** **Appointment of an undertaker by Government.–** (1). In the interest of economy of effort and effectiveness, the Government may appoint any of its office, authority or agency to undertake one or more functions listed at Part I of the Second, Third or Fourth Schedule or one or more public services related to any such function in one or more local areas in the Punjab.

(2). The function or public service referred to in subsection (1) shall not be undertaken by a local government in respect of the local areas referred to in subsection (1).

(3). All expenses required for the undertaking of a function or public service referred to in subsection (1) shall be defrayed by the Government.

(4). The office, authority or agency referred to in subsection (1) shall, for the purpose of undertaking a function or provision of a public service, be deemed to be a local government within the meaning of this Act.

**28.** **Agency arrangements etc. and delegation of functions not to diminish responsibility of a local government.–** Arrangements made under clause (b) to (e) of sections 24, 25 and 26 of this Act shall not diminish in any respect the responsibility of a local government with regards to the function or public services which it outsources or delegates to another local government, joint authority, government agency, Panchayat or, as the case may be, a Neighbourhood Council.

**29.** **Quality and accessibility of public services.–** (1).The quality of a public service provided by a local government in relation to the functions assigned to it under this Act shall be as under:-

1. where standard of provision of a public service is regulated by law, the standard of provision of that public service shall be deemed to be the standard laid down by such law;
2. where standard of provision of a public service is not regulated by law, the Government may, by an order, fix the standard of provision of that public service;
3. where standard of provision of a public service is neither regulated by law nor fixed by the Government, the standard of provision of that public service shall be deemed to be the standard fixed by a professional body concerned with that service; and
4. where standard of provision of a public service is neither regulated by law, or fixed by the Government or by a concerned professional body, the standard of provision of that public service shall be that which at the time of provision of the public service could be reasonably expected to be obtained in the respective local area.
5. All public services provided by a local government shall meet the quality standards fixed or expected under this section.
6. Each public service provided by a local government shall be accessible to all such persons for whom that service is intended.

**Chapter VII – Joint Authorities and Agency Arrangement**

**30.** **Establishment of joint authorities by voluntary action.–** (1). Subject to the limitations mentioned at section 32 of this Act, the heads of two or more local governments may, through a written agreement, establish a joint authority for the provision of one or more of such public services which relate to a function assigned to them under this Act.

1. An agreement referred to in subsection (1) shall, among other things, provide for:-
2. the extent of responsibility of the joint authority in relation to the provision of a public service;
3. the manner in which the joint authority will discharge its responsibility;
4. personnel, facility, amenity, equipment, plant, stores or apparatus required for effective working of the joint authority; and
5. arrangements for sharing the expenses of joint authority between constituting local governments.
6. A joint authority shall be responsible to each constituting local governments for the provision of public services assigned to it.
7. The head of a constituting local government of a joint authority established under this section may, after due notice of not less than three months to the other constituting local governments, rescind from the agreement referred to in subsection (1).

**31.** **Subsequent joining of a local government.–** A local government may join a joint authority through awritten agreement between its head and the heads of the then constituting local governments of that joint authority.

**32.** **Power of the Government to establish joint authority in relation to certain functions.–** (1). In the interest of economy of effort and effectiveness, the Government may, for the provision of one or more of such public services which relate to a local government function listed in Part 1 of the Second, Third and Fourth Schedules, by an order, establish a joint authority for such local governments as may be mentioned in that order.

1. Every order under subsection (1) shall, among other things, provide for:-
2. the areas comprising the jurisdiction of the joint authority;
3. public services to be provided by the joint authority;
4. the manner in which the joint authority will discharge its responsibilities;
5. personnel, facility, amenity, equipment, plant, stores or apparatus required for effective working of the joint authority; and
6. arrangements for sharing of expenses of the joint authority by the constituting local governments.
7. A public service referred to in subsection (1) shall be performed by the joint authority in the respective local area and not the constituting local governments.
8. No local government shall establish a joint authority under section 30 of this Act for the provision of any public service for which a joint authority has been established by the Government under this section.
9. A joint authority established under this section shall continue unless otherwise ordered by the Government.

**33.** **Operating Officer of a joint authority.–** (1). Each joint authority shall have an Operating Officer who shall be responsible for proper administration and discharge of responsibilities assigned to that joint authority.

1. The Operating Officer of a joint authority established under section 30 of this Act shall be appointed by the constituting local governments from amongst their officers with mutual agreement and in case where no such agreement is reached within thirty days of the establishment of the joint authority, by the Government.
2. The Government shall appoint Operating Officer of a joint authority established under section 32 of this Act.

**34.** **Joint committees to oversee and direct functions of joint authorities.–** (1), The constituting local governments may appoint a joint committee to oversee and direct the proper discharge of functions by a joint authority and may also by mutual agreement determine:-

* 1. the total membership of the joint committee;
	2. representation of each constituent local government in the joint committee; and
	3. the term of office of the members of that joint committee.
1. Representation of constituent local governments in a joint committee shall be worked out in the following manner:
2. the representation of each constituting local government shall not be less than one member; and
3. additional representation of aconstituting local government in a joint committee shall be, as nearly as possible, proportional to its share in the expense of the joint authority.
4. The head of the constituting local government may appoint members of the joint committee from amongst the councillors or officers of the local government.
5. A member of the joint committee shall hold office during the pleasure of the head of the respective constituting local government.
6. A member of the joint committee shall upon ceasing to be the councillor, or as the case may be, the officer of that local government shall also cease to be a member of the joint committee.

**35.** **Expenses of a joint authority how defrayed.–** (1). The expenses incurred by a joint authority shall be defrayed in the following manner:-

1. in case of a joint authority established under section 30 of this Act, by the constituting local governments in such proportions as agreed by them;
2. in case of a joint authority established under section 32 of this Act, by the constituting local governments in such proportions as ordered by the Government.
3. In case of a disagreement on proportions in which the expense are to be shared or the actual value of share paid by a constituting local government during a particular period, the expenses shall be paid by each constituting local government in such amount and in such manner as may be determined by an arbitrator appointed with the agreement of the disputing local governments and where the disputing local governments fail to agree to an arbitrator within thirty days of the arising of the dispute, by an officer authorized by the Government.
4. Every joint authority shall keep its accounts in the prescribed manner.

**36.** **Assets etc. of a joint authority.–** (1).In relation to the working of a joint authority, the constituting local governments may make arrangements for:

1. temporary transfer of officers and staff to the joint authority;
2. use of any facility, amenity, vehicle, equipment, plant, stores or apparatus of a constituent local government by the joint authority in relation to provision of a public service and placement of the services of any person employed in connection with the facility, amenity, equipment, plant, store or apparatus in question with the joint authority; and
3. purchase of any facility, amenity, vehicle, equipment, plant, stores or apparatus or employment of any person in relation to the working of the joint authority.
4. A constituting local government which provides funds for the purchase of any facility, amenity, equipment, plant, store or apparatus of a joint authority shall be the joint owner of such facility, equipment, plant, store or apparatus to the extent determined by subsection (3).
5. The share of a constituting local government in a facility, amenity, equipment, plant, stores or apparatus owned or used by a joint authority shall be proportionate to the capital cost of that facility, equipment, plant, stores or apparatus property shared by that local government.

**37.** **Dissolution of a joint authority.–** (1).A joint authority established under section 30 of this Act shall stand dissolved if:

1. all constituting local governments of that joint authority, after due notice, agree to such dissolution;
2. as a result of rescission of a constituting local government of that joint authority under subsection (4) of section 30 of this Act, the number of remaining constituting governments is reduced to below two; or
3. the Government orders as such after being satisfied that the performance of the joint authority has remained unsatisfactory consistently or the joint authority has become economically unviable or the constituting local governments are consistently defaulting in defraying their respective share of expenses to the joint authority.
4. A joint authority established under section 32 of this Act shall not dissolve unless ordered as such by the Government.
5. Subsequent to the dissolution of a joint authority, the public services provided by that joint authority shall be provided by the respective local governments.

**38.** **Succession of a joint authority.–** (1).Upon dissolution of a joint authority:-

1. all facilities, amenities, vehicles, equipment, plants, stores and apparatus purchased by the joint authority shall be succeeded by each constituting local government, as nearly as possible, proportional to the expanses of the joint authority shared by it during the entire period of its continuation;
2. all facilities, amenities, vehicles, equipment, plants, stores and apparatus lent to the joint authority by a constituting local government shall return to that local government;
3. all officers and staff transferred or lent to the joint authority by a constituting local government shall return to that local government;
4. left over funds, if any, of the joint authority shall be succeeded by each constituting local government in such amounts which are, as nearly as possible, proportional to the expanses of the joint authority shared by it during the entire period of its continuation.
	* 1. Any disagreement amongst the constituting local governments on the issue of succession of a joint authority shall be determined by an arbitrator appointed with the agreement of the disputing local governments and where the disputing local governments fail to agree to an arbitrator within thirty days of the dissolution, by an officer authorized by the Government.

**Chapter VIII – Authority of Local Governments**

**39.** **Extent of authority of local governments.–** (1). The authority of every local government shall be limited to the discharge of functions assigned to it under this Act or any other law for the time being in force.

1. Subject to the provisions of section 23 of this Act, the authority of a local government shall extend to the doing of all acts that are necessary for the due discharge of its functions or acts that are likely to facilitate or are conducive or incidental to the discharge of its functions under this Act or any other law for the time being in force.

**40.** **Manner of exercise of authority by a local government.–** (1).Subject to the provisions of this Act, the executive authority of a local government shall vest in and be exercised by its head through officers of the local government authorized by him in accordance with this Act.

1. The head, council or any of its committee or sub-committee may direct, guide or supervise but not directly engage in the discharge of a function of the local government.
2. The council and its committees and sub-committees shall act through resolutions in accordance with the provisions of section 55 of this Act.

**41.** **All acts and orders to be taken or made in the name of local government.–** All acts and orders of a local government shall be expressed to be taken or made in its name and shall be authenticated in the prescribed manner.

**Chapter IX – Duties of Certain Functionaries**

**42.** **Duties and powers of a head.–** (1). In addition to any other duty assigned to him under this Act or any other law for the time being in force,a head shall be responsible for:-

1. ensuring that the business of the local government is carried out strictly in accordance with this Act and other laws for the time being in force;
2. efficient, effective and transparent functioning of the local government;
3. accomplishment of operational, developmental and fiscal objectives set out by the council or as the case may be the Government under section 23 of this Act;
4. presenting not less than two reports on the performance of local government to the council and the Government during each financial year;
5. representation of the local government at civic or ceremonial functions;
6. any other duty, not being the duty assigned to any other authority under this Act, as the council may, by a general or special resolution direct;
7. any other duty as may be assigned to him by the Government; and
8. general supervision and control over officers of the local government for the above purposes.
9. A head shall, in relation to the above duties or for the transaction of business of the local government, exercise:-
	1. such powers as are conferred upon him under this Act or any other law for the time being in force; and
	2. such powers of the local government, not being the powers of the council or the powers assigned to any officer or authority under this Act, as are delegated upon him by the council through a resolution.
10. Subject to other provisions of this Act, a head shall, during the performance of his duties or exercise of his powers, observe the general policy or directions of the Government.

**43.** **Duties and powers of a convenor.–** (1).In addition to any other duty assigned to him under this Act, a convenor shall:

1. convene meetings of the council as required under this Act;
2. preside over, and ensure orderly conduct of meetings of the council at which he is present;
3. maintain record of meetings of the council; and
4. constitute committees of the council under this Act and oversee their working.
5. A convenor shall, in relation to the above duties, exercise such powers as are conferred upon him under this Act or any other law for the time being in force.
6. Without prejudice to the provisions of subsection (2), a convenor may, in relation to above duties, direct a councillor to abstain from or withdraw immediately from a meeting where in his opinion the attendance of meeting by that councillor would constitute conflict of interest under section 214 of this Act or the conduct of that councillor during the meeting is grossly disorderly.

**44.** **Duties of a councillor.–** (1). While acting under this Act, a councillor shall:

1. serve overall interest of the local area which he represents; and
2. ensure that there is no conflict, or possible conflict between his private interest and honest performance of his role of serving public interest.
3. A councillor shall not direct or attempt to direct an officer or servant of a local government, or direct or attempt to direct on the manner in which the duties of an officer or servant duties shall be performed.

**45.** **Duties and powers of Chief Officer.–** (1). A Chief Officer shall be the principal officer of the local government and all other officers and servants of that local government shall be subordinate to him.

1. In addition to any other duty assigned to him under this Act or any other law for the time being in force,a Chief Officer shall:-
2. act as the principal accounting officer of the local government;
3. assist and advise the head, convenor, committees and sub-committees of the council in proper discharge of their duties under this Act;
4. ensure timely, effective and efficient implementation of local government policy and decisions;
5. supervise and control officers and servants of the local government and coordinate and synergize the work of all offices of the local government;
6. maintain financial and administrative discipline and ensure that the business of the local government is carried out strictly in accordance with the provisions of this Act and other laws for the time being in force;
7. enter into and manage all contracts on behalf of the local government;
8. undertake all procurements on behalf of the local government;
9. maintain records pertaining to the functions of the local government;
10. act for and on behalf of the local government in every action or other legal proceedings whether instituted by or against the local government;
11. assist relevant authorities in the circumstances of emergency; and
12. perform such other duties as are assigned to him by the Government, head, council or a committee or sub-committee of the council.
13. A Chief Officer shall, in relation to the above duties, exercise:-
	1. such powers as are conferred upon him under this Act or any other law for the time being in force;
	2. such powers of the local government as are delegated upon him by the council through a resolution; and
	3. such powers of the head as are delegated upon him by the head.
14. Subject to other provisions of this Act, the Chief Officer shall, during the performance of his duties or exercise of his powers, observe the general policy and any specific direction of the Government.

**46.** **Attendance of council meetings etc. by Chief Officer.–** (1).The Chief Officer shall have the same right to being present at any meeting at the council, or a committee or a sub-committee of the council and of taking part in the discussions thereat as if he were a councillor or a member of such committee or, as the case may be, the sub-committee, and may at any time make a statement or explanation of facts, but he shall not vote upon, or move, any proposition at such meeting.

1. In so far as it is not inconsistent with or does not interfere with the due discharge of his duties, a Chief Officer shall, when required upon by the convenor attend a meeting of the council or a committee or sub-committee of the council and render such advice or provide such assistance as may reasonably be required of him.

**47.** **Duty of Chief Officer etc. in case of an illegal order or instruction.–** (1).Where in the opinion of the Chief Officer or any other officer or servant of the local government, any resolution of the council or any of its committees or sub-committee, or any decision, order, instruction or act of the head, convenor, or a councillor is not in accordance with this Act or any other law for the time being in force, or is motivated, or is likely to lead to wasteful or improper expenditure, or is likely to lead to the breach of peace or cause injury or annoyance to the public or any class or body of persons or is otherwise prejudicial to the public interest, he shall:

1. in case of him being the Chief Officer, refer every such resolution, decision, order, instruction or act in writing, along with the grounds of his opinion, to the Government for decision;
2. in case of him being any other officer, send every such resolution, decision, order, instruction or act in writing, along with the grounds of his opinion, to the Chief Officer who shall, after recording his own opinion in the matter, forward the same to the Government.
3. The Government shall, after due notice and inquiry, decide every reference of the Chief Officer received under this section and such decision shall be final as regards to the validity of the resolution, decision, order, instruction or act.

**48.** **Personal responsibility for acts done and expenditure incurred without lawful authority.–** Every person exercising any authority for the purposes of this Act, shall be personally responsible for any act done by him personally or done under his direction; any loss, financial or otherwise, suffered by a local government due to a decision made by him personally or under his direction; or any expenditure incurred by him personally or incurred under his direction without lawful authority or in violation of any provision of this Act or any other law for the time being in force.

**Chapter X – Contracts**

**49.** **Principles governing contracts.–** (1).Without prejudice to the provisions of any other law for the time being in force governing contracts and public procurements, all contracts for the carrying out of a work, or the purchase of goods or services of any description, shall be made by a local government having regards to the following principles, namely:-

1. open and effective competition;
2. value for money; and
3. ethical behaviour and fair dealing.
4. All contracts shall be made, varied or discharged by a local government in the prescribed manner.

**50.** **Form of contract.–** All contracts made, varied or discharged on behalf of a local government shall be in writing and expressed to be made in the name of that local government.

**51.** **Power to make contract.–** (1).Subject to the provisions of this Act, all contracts shall be made, varied or discharged on behalf of a local government by its Chief Officer.

1. The Government may, by an order specify that contracts for carrying out of a work or the purchase of goods or services of a particular nature or exceeding a particular pecuniary value shall not be made, varied or discharged by the Chief Officer without the prior approval of the council.
2. The Government may likewise, by an order specify that contracts for carrying out of a work or the purchase of goods or services of a particular nature or exceeding a particular pecuniary value shall not be made, varied or discharged without prior approval of the council and confirmation of such approval by an officer authorized by the Government.
3. All contracts made by the Chief Officer on his own authority shall be reported to the head of local government immediately and the council at the meeting next following the making of the contract.

**52.** **Validity of a contract.–** (1).No contract executed otherwise than in conformity with the provisions of this chapter shall be binding on the local government.

(2). No contract made by a local government for the provision of a service shall be valid unless it is in conformity with the limitation prescribed under subsection (2) of section 24 of this Act.

**Chapter XI – Meetings of the Council**

**53. Disposal of business.–** All business of a local government shall, to the extent provided under this Act, be disposed of at the meetings of its council, or by the head, or by the officers of the local government in the prescribed manner.

**54.** **Business to be disposed of at meetings.–** Every matter required by any provision of this Act or the rules or by-laws to be decided by the council or a committee of the council shall be decided at a meeting of the council or, as the case may be, the committee, held in the prescribed manner.

**55.** **Decisions at the meetings how made.–** (1).Save as otherwise provided under this Act, all matters or questions which come before the council or a committee shall be decided by a simple majority of votes of the councillors or, as the case may be, the members present at the meeting and voting.

1. The convenor or any other councillor presiding over a meeting of the council shall not vote on any matter or question pending decision before the council except in case of equality of votes.
2. In the like manner, a councillor presiding over a meeting of the committee or sub-committee of the council shall not vote on any matter or question pending decision before it except in case of equality of votes.

**56.** **Ordinary, special and emergency meetings.–** (1). Every matter required by any provision of this Act or the rules or by-law to be decided by the council shall be transacted at an ordinary meeting unless required by this Act or the rules or by-law to be transacted at a special meeting.

(2). Any matter to be decided by the council in relation to the circumstances of emergency may be transacted at an emergency meeting.

**57.** **Presiding over of council meetings.–** (1). All meetings of a council, shall ordinarily be presided over by the convenor.

(2). Notwithstanding the provisions of subsection (1), first meetings of the council shall be presided over by the convenor of the council immediately preceding that council and in case there was no council immediately preceding that council, by an officer to be authorized in this behalf by the Government.

**58.** **Quorum of council meetings.–** (1). Unless otherwise provided under this Act, or the rules, the quorum necessary for transaction of business at an ordinary or special meeting of the council shall be one-half of the councillors holding office at the time.

1. The quorum necessary for transaction of business at an emergency meeting shall be one-third of the councillors holding office at that time.
2. If at any ordinary, special or emergency meeting of a council, the number of councillors present does not constitute a quorum, the convenor shall adjourn the meeting to such other day as he may think fit, and the business which would have been brought before the original meeting, if there had been a quorum present, shall be brought before and transacted at the adjourned meeting in the usual manner.
3. If at any of the subsequent meeting called under subsection (2) the number of councillors present is again insufficient to constitute a quorum, the convenor shall adjourn the meeting to such other day as he may think fit, and the business which would have been brought before the original meeting, if there had been a quorum present, shall be brought before and transacted at this meeting whether there be a quorum present thereat or not.

**59.** **Frequency of council meetings.–** Every council shall meet at least once in every calendar month and shall be in session for at least fifty accumulated days in a calendar year.

**60.** **Councillors, members and certain other persons to abstain from meetings on account of personal interest.–** (1).Notwithstanding anything to the contrary in this Act, a convenor shall not preside over or take part, in any manner, in the consideration or discussion, or to vote on any question with respect to a matter which is to be discussed, considered or decided by the council if he has an interest in that matter as defined in section 214 of this Act.

(2). In the like manner, a councillor shall not take part, in any manner, in the consideration or discussion, or to vote on any question with respect to a matter which is to be discussed, considered or decided by the council, a committee or sub-committee of whom he is a member if he has an interest in that matter as defined in section 214 of this Act.

(3). A person not being a councillor, who is otherwise authorized to participate in a meeting of the council or is a member of a committee or sub-committee under this Act, shall not take part, in any manner, in the consideration or discussion, with respect to a matter which is to be discussed, considered or decided by the council or a committee or sub-committee of whom he is a member if he has an interest in that matter as defined in section 216 of this Act.

**61.** **Vacancy or defect in membership not to effect power of a council to act.–** (1).A council shall have the power to act notwithstanding any vacancy in its membership.

(2). No proceedings of a council shall be invalid merely by the reason that a person who was, for the time being, not entitled to do so, sat and voted or otherwise took part in its proceedings.

**62.** **Right of public to attend council and committee meetings.–** (1). Subject to the provisions of subsections (2) and (3) below, every meeting of the council, committee and sub-committee shall be open to the public.

* + 1. The convenor or the person presiding a meeting referred to in subsection (1), may exclude public from whole or part of the proceedings of a meeting if majority of the councillors present thereat consider that public information of the proceedings of the meeting shall be prejudicial to public interest by reason of confidential nature of business to be transacted at the meeting.
		2. Nothing in subsection (1) shall affect or derogate the power of the convenor or the person presiding the meeting to exclude a person from the meeting for the purpose of suppressing or preventing disorderly conduct or other misbehaviour at, or disturbance of, the meeting.

**63.** **Preservation of order at council meetings.–** (1).The convenor shall be responsible for orderly conduct of the meeting of the council and for this purpose may direct a councillor or a person witnessing the meeting whose conduct, in his opinion, is grossly disorderly to withdraw immediately from the meeting.

1. The councillor or person ordered to withdraw from a meeting under subsection (1) above shall withdraw from the meeting forthwith and shall also absent himself during the remainder of day’s proceedings.
2. If a councillor is ordered to withdraw from two meetings consecutively, the convenor may while making such order also suspend the councillor from attending the meetings for any period not exceeding thirty days and the councillor shall absent himself from the meetings accordingly.
3. Where the councillor referred to in subsection (1) tenders an apology to his satisfaction, the convenor may remit the period of suspension of the councillor.
4. If the councillor or the person ordered to withdraw from the meeting under subsection (1) above, unlawfully remains in the meeting, the convenor may take such steps as he deems fit to cause him to be removed.

**64.** **Record of proceedings of meetings.–** (1). The names of councillors present and minutes of the proceedings at each meeting of the council shall be drawn up and recorded in the prescribed manner in a book to be kept for the purpose.

* 1. The minutes of a meeting recorded under subsection (1) shall be signed by the convenor and shall at all reasonable time and without charge be open to inspection by all councillors and the public.
	2. No councillor shall be entitled to object to the minutes of a meeting in which he was not present.
	3. The minutes of a meeting to which public is excluded under subsection (2) of section 62 of this Act shall not be open to inspection by public unless otherwise ordered by the Government or the respective council.

**65.** **Indemnity of councillors in relation to anything said in proceedings of a meeting.–** (1).No head, convenor, councillor or other person shall be liable to any proceedings in any Court in respect of anything said by him or any vote given by him in the meeting of a council, committee or sub-committee so long as such action does not:

1. undermine the ideology, integrity or solidarity of Pakistan; or
2. seek to create or excite feelings of enmity, ill will, or hatred between different communities, sects, classes or sections of citizens of Pakistan; or
3. contains any indecent, obscene, scurrilous or ironical expressions or defamatory remarks against; or
4. seek to defame any person.
5. A head, convenor or councillor who acts in contravention of the provisions of sub-section (1) may, without prejudice to any other action against him, be disqualified and removed from his office by the Government after due notice and inquiry in the prescribed manner.

**66.** **Defraying of expenses in relation to meetings.–** A local government may, in the prescribed manner, make payments to defray any expenditure reasonably incurred by its head, convenor, councillor or officer, or any other member of its committee or sub-committee in respect of attendance of a meeting of the council, committee or, as the case may be, a sub-committee.

**67.** **Bye-laws for meetings.–** (1).Having regards to the provisions of this Act and the rules, every local government shall, within three months of the assumption of office, frame bye-laws for the conduct of its meetings.

1. Where a local government fails to timely meet the requirements of subsection (1), the Government may prescribe bye-laws for that local government which shall be valid as if framed by that local government.

**Chapter XII – Committees and Sub-committees of the Council**

**68. Appointment of committees and sub-committees.–** (1).A council may appoint a committee for any general or special purpose and may also delegate to such committee, with or without restrictions or conditions, any of its business except the power with respect to approval of local government budget, rates and taxes, bye-laws, or the powers with respect to acquiring, holding or disposing of local government properties.

1. Without any prejudice to the provisions of subsection (1), every council shall constitute the following committees:**–**
2. A committee to oversee financial matters of the local government including its receipts and expenditure;
3. A committee to oversee the formulation and delivery of local development plan and annual development plans;
4. A committee to oversee maintenance of accounts and conduct of audits and implementation of the recommendations of the audit reports; and
5. A committee to oversee provision of infrastructure and public services in the local area.
6. A committee appointed under this section may, subject to any direction of the council, appoint a sub-committee, and may delegate to such sub-committee with or without restrictions any business delegated to the committee by the council under subsection (1).

**69.** **Membership of a committee or a sub-committee.–** (1). The number of members of a committee and their respective term of office shall be such as may be determined by the council.

1. Subject to any restrictions imposed by the council, the number of members of a sub-committee and their respective term of office shall be such as may be determined by the committee constituting it.
2. While constituting a committee or a sub-committee, the council or, as the case may be, the committee may appoint a person as member of the committee or sub-committee who is not a councillor.
3. A person, not being a person in the service of Pakistan or in the service of a local government, shall not be appointed as a member of a committee or sub-committee unless he is otherwise qualified for being elected as a member of a council under this Act.

**70.** **Requirement of political balancing in the committees.–** (1).Every political party and electoral group represented in the council shall be represented in every committee of that council in such a manner that:

1. the number of seats allocated to a political party or electoral group in a committee shall bear, as nearly as may be, the same proportion to the number of total seats in that committee as to the number of councillors of that political party or electoral group in the council to the total number of councillors of that council; and
2. the number of total seats allocated to a political party or electoral group in all the committees shall bear, as nearly as may be, the same proportion as to the number of total seats in all the committees as to the number of councillors of that political party or electoral group in the council to the total number of councillors of that council.

(2). If, in calculating a ratio for the purposes of sub-section (1), the number of seats reserved for a political party or electoral group does not come to be a whole number and such number is less than one-half, the number shall be rounded down to the next lower number; or one-half or more, the number shall be rounded up to the next higher level.

**71.** **Cessation of a committee or sub-committee.–** (1). A council which appoints a committee or a committee which appoints a sub-committee, may, at any time, revoke any such appointment and may also revoke or vary anything delegated, or any restrictions or conditions imposed or any matter fixed under section 68 of this Act.

1. A council shall have a similar power with respect to revocation of appointment or revoking or varying anything delegated, or any restriction or conditions imposed or any matter fixed in relation to a sub-committee as that of a committee.

**72.** **Cessation of membership of a committee or sub-committee on loss of membership of council.–** Every member of a committee or sub-committee who was, at the time of his appointment, a councillor shall, upon ceasing to be such councillor, also cease to be a member of the committee or sub-committee.

**73.** **Exemption from personal liability of a member who is not a member of local government.–** A member of a committee or sub-committee who is not a councillor shall have the same exemption from personal liability as if he were a councillor.

**74.** **By-laws for committees and sub-committees.–** (1). Having regards to the provisions of this Act and the rules, every local government shall, within three months of the assumption of office, frame bye-laws for the constitution and conduct of its committees and sub-committees.

(2). Where a local government fails to timely meet the requirements of subsection (1), the Government may prescribe bye-laws for that local government which shall be valid as if framed by that local government.

**75.** **Certain provisions of Chapter XI to apply to committees and sub-committees.–** The provisions of sections 55, 63, 64, 65, 66 of this Act relating to the meeting of the council shall, *mutatis mutandis*, apply to the meetings of the committees and sub-committees.

**PART 3**

**ELECTIONS, TERM OF OFFICES AND RELATED MATTERS**

**Chapter XIII – Authority for Local Government Elections**

**76.** **Election Commission to conduct local government elections.–** (1). All elections under this Act shall be conducted by the Election Commission.

(2). The Election Commission shall undertake such measures and make such arrangements as are necessary for the conduct of elections in accordance with the law and in a just, fair and transparent manner.

**77.** **Duty of** **Election Commission to consider certain matters brought to its notice.–** (1).Any political party, electoral group or a candidate may, at any time, make a representation, objection or suggestion to the Election Commission or bring any information to their notice on any matter of general importance relating to an election under this Act.

1. The Election Commission shall consider every representation, objection, suggestion made and information brought before it under subsection (1) and decide whether and to what extent they shall act on it.
2. The Election Commission shall convey all decisions under subsection (2) to the political party, electoral group or a candidate referred to in subsection (1).

**78.** **Election Commission to report on elections and certain other matters.–** (1).The Election Commission shall, soon after the completion of every election under this Act, prepare and publish, in such manner as it may consider appropriate, a report on the administration and results of the election.

1. The Election Commission shall keep under review, and from time to time submit reports to the Government on such matters which they consider important in relation to elections under this Act.

**79.** **General powers of the Election Commission.–** (1).Without prejudice to any other specific power vested in it under this Act or any other law for the time being in force, the Election Commission shall have the power to issue such directions or orders including the powers to review an order passed under this Act and to make such consequential order as may be necessary for the performance of their duties under this Act.

**80.** **All authorities and persons to assist the Election Commission.–** (1). The Election Commission may require any person or authority in the Punjab to perform such function or render such assistance as may be required for the purposes of this Act.

* 1. It shall be the duty of all persons and authorities required to perform a function or render any assistance under subsection (1) to perform such function or render such assistance, in as much as may be reasonably possible.
	2. The Government shall make available to the Election Commission the services of such of its officers and servants as the Election Commission may require for the purposes of this Act.

**Explanation:** For the purpose of this section, any reference to authority shall include an authority which is not owned or controlled by the Government.

**81.** **Delegation of powers etc.–** The Election Commissioner may delegate any of its functions or powers in relation to elections under this Act upon such officers of the Government as it consider fit.

**82.** **Election Commission to regulate its own procedure.–** The Election Commission shall, subject to this Act and the rules, regulate its own procedure.

**Chapter XIV – Election Method, Franchise and Related Matters**

**83. Elections to be held on closed list proportional representation method.–** (1).The elections to a local government shall be conducted on closed list proportional representation basis through secret ballot in the prescribed manner.

(2).The head, convenor and other councillors, except the councillors to the seats reserved for religious minorities, shall be elected by all voters of the respective electoral unit.

(3). The councillors to the seats reserved for religious minorities shall be elected by voters belonging to all religious minorities of the respective electoral unit.

(4). In order to contest an election under this Act, a political party or electoral group shall appoint one otherwise eligible person to contest for the office of the head and one otherwise eligible person to contest for the office the convenor.

(5). A political party or electoral group may appoint one or more candidates for election to the seats of general councillors and seats reserved for women, peasants, workers and religious minorities in the respective electoral unit.

(6). Where a political party or electoral group appoints two or more candidates for an election under this Act, all such persons including the candidates for the office of head and convenor, shall contest jointly.

(7). Subject to the provisions of subsection (8) below, if the persons referred to in subsection (6) are contesting for the office of a councillor, the political party or the electoral group, as the case may be, shall indicate the ranking order in which they will be elected on the basis of votes obtained by that political party or electoral group.

(8). While determining the ranking order, the political party or the electoral group shall rank the name of each candidate for the seats reserved for women, peasants and workers after every four candidates for the seat of general councillor until the number of proposed candidates for seats of women, peasant and workers exactly matches the number of seats for women, peasant and workers for the relevant local government given in the First Schedule.

(9). If the persons referred to in subsection (5) are contesting for the office of a councillor to a seat reserved for religious minorities, and two or more such seats exist in the respective council, the political party or the electoral group, as the case may be, shall indicate order in which they will be elected on the basis of votes obtained by that political party or electoral group.

(10). Nothing in this section shall preclude the right of any person who is not on the slate of a political party or an electoral group to contest an election for any office under this Act.

**84.** **Electoral units.–** (1). The entire local area shall constitute one multi-member at large electoral unit for elections to the respective council.

(2). The Election Commission shall, not less than sixty days prior to the date fixed for the election, notify electoral units in the official gazette.

(3). The electoral units constituted under this section shall remain valid for every subsequent election under this Act unless altered or rescinded by the Election Commission subsequent to a review under section 85 of this Act.

**85.** **Review and reconstitution of electoral units.–** (1).The Election Commission shall reconstitute one or more electoral units, existing for the time being, when as a result of an order by the Government under section 14 or, as the case may be, section 17 of this Act:

1. the limits of a local area to which the electoral units relate are extended, curtailed or otherwise altered;
2. where a new local area is created or an existing local area to which the electoral units relate is abolished; or
3. a local area to which the electoral units relate is re-classified.
4. The Election Commission shall consider every request of the Government, the Commission or a candidate to the relevant election for the review of an existing electoral unit and depending upon its determination on the existence of such need, may reconstitute that electoral unit.
5. The provisions of section 86 of this Act shall, *mutatis mutandis*, apply to the re-constitution of electoral units under this section.

**86.** **Procedure for constitution of electoral units.–** (1). The limits of an electoral units shall be determined by a delimitation officer, appointed by the Election Commission from amongst its officers or officers in the service of Pakistan.

1. For the purpose of this section, the delimitation officer shall:
	1. make public notice of the proposal to carry out delimitation;
	2. take such steps, as he thinks fit, to ensure that all such persons who may be interested in the delimitation are informed of any draft recommendation or any interim decision or any other such order and of the place and places where those recommendations, decisions or orders can be inspected;
	3. consider and decide every objection, representation or suggestion made to him in relation to the delimitation within the period specified for this purpose
2. The delimitation of an electoral unit made by the delimitation officer shall be finalized by the Election Commission after hearing any objections or suggestions made to it within the period specified for this purpose.
3. For the purpose of this section the delimitation officers shall work under the superintendence, control and direction of the Election Commission.

**87.** **Electoral rolls.–** (1). At least thirty days prior to the date fixed for an election under this Act, the Election Commission shall, in the prescribed manner, prepare a roll of all eligible voters for every electoral unit, hereinafter called the electoral roll.

1. A separate electoral roll shall be prepared for voters belonging to the religious minorities in every electoral unit.
2. An electoral roll prepared under this section shall not be invalid merely by reason of any erroneous description in the electoral roll of any person enrolled or registered thereon or of omission of the name of any person entitled to be so enrolled or registered or inclusion of the name of any person not so entitled.

**88.** **Electoral rolls to be open to inspection and purchase.–** Copies of every electoral roll shall be open to inspection by public and shall also be available for purchase at a reasonable price at such place and during such timings as the Election Commission may direct.

**89.** **Right to enrolment as a voter.–** (1).A person shall be entitled to be enrolled as a voter in an electoral unit if he is:-

1. for the time being, a citizen of Pakistan
2. not less than eighteen years of age on the first day of January in the year in which the preparation of electoral roll commences under this Act.
3. not declared by a competent court to be of unsound mind; and
4. a resident in that electoral unit.
5. For the purposes of this section, a person shall be deemed to be resident in an electoral unit if he ordinarily resides, or owns or is in possession of a dwelling house or other immovable property in that area or his principal or only place of work is in that area.
6. Where a person owns or possesses dwelling houses or other immovable property in more than one electoral units, he may, at his option, be enrolled in any one of such area.
7. Where a person is detained in a prison or held in other custody at any place in Pakistan, he shall be deemed to be resident in the electoral unit in which he, at his option, would have been resident if he had not been so detained or held in such custody.

**90.** **Right to vote.–** (1).No person shall be eligible to vote in an electoral unit unless his name, for the time being, appears in the electoral roll of that electoral unit.

(2). Subject to subsection (3) below, a person eligible to cast a vote under subsection (1), shall have the right to cast only one vote for the election to the offices of the head, the convenor and councillors to the general seats and seats reserved for women, peasants and workers whether his name appears on the electoral roll of the same electoral unit for more than once, or his name appears on electoral rolls of two or more electoral units.

(3). A person whose name, for the time being, appears on electoral roll of religious minorities in an electoral unit, shall in addition to the right to cast a vote under subsection (2), have the right to cast a second vote for the election to the office of councillor or councillors reserved for religious minorities.

**Chapter XV – Conduct of Elections**

**91.** **Notification of election date and call up for election.–** (1). The Government shall, after consulting the Election Commission, fix the date of elections for one or more electoral unit under this Act through an order published in the official gazette.

1. The date fixed for an election under sub-section (1) shall be no earlier than one hundred and twenty days from the date of publication of the order in the official gazette.
2. Subsequent to an order under subsection (1), the Election Commission shall, call upon an electoral unit to elect the head, convenor and councillors and by an order appoint a schedule for this purpose.

**92.** **Only nominated and eligible persons allowed to contest elections.–** (1). Any person who is otherwise eligible to be elected as a head, convenor or councillor under section 109 of this Act may be nominated as a candidate for an election by three or more voters of the relevant electoral unit.

1. All nominations under this section shall be made in the prescribed form and shall be accompanied by such deposits as the Election Commission may from time to time order.
2. The Election Commission shall, after public notice and hearing the person nominated as a candidate or a person authorized by him in this behalf, satisfy itself that each nomination has been properly made and the person nominated as a candidate is eligible to be a candidate for the relevant election under this Act.
3. No person nominated as a candidate shall contest elections unless, he is, in the opinion of the Election Commission, properly nominated and eligible for being a candidate for the relevant election.

**93.** **Polling stations and appointment of electoral officers.–** The Election Commission shall, in the prescribed manner, set up such number of polling stations and polling booths as may be required for an election under this Act and also appoint, from amongst the persons in the service of Pakistan, such number of electoral officers as it consider appropriate for such election.

**94.** **All political parties, electoral groups and candidates allowed to appoint election and polling agents.–** (1).Every political party, electoral group and independent candidate to an election under this Act shall have the right to appoint one election agent for the entire electoral unit and one polling agent for each polling booth at every polling station in the electoral unit from where that political party, electoral group or independent candidate is contesting.

1. No person shall be appointed as an election agent or a polling agent under this section unless he is otherwise qualified to be elected as a councillor under this Act.

**95.** **Rights and power of an election agent or polling agent.–** (1).Subject to other provisions of this Act, every election agent or a polling agent appointed under section 94 of this Act shall have the right to be present at the polling station and other places or premises which are used for issuance and distribution of ballot papers or examination and counting of votes:

1. at all times during the issuance, distribution of ballot papers;
2. before and at all times when the votes are casted; and
3. at all times during the examination or counting of votes.

(2). Subject to other provisions of this Act, an election agent or a polling agent may, among other things object to the decision of an electoral officer at the polling station with respect to entitlement of a person to vote, object to the acceptance or rejection of a ballot paper, and make record of the details of persons voting and remove this record from the polling station.

**96. Code of Conduct for elections.–** (1). The Election Commission shall by an order published in the official gazette, prescribe a Code of Conduct for candidates, election agents, polling agents and other relevant persons for every election under this Act.

(2). The Code of Conduct prescribed under subsection (1) shall, among other things, define the consequences of violation of its provisions and the authority responsible for taking cognizance of such violations and their powers for such purpose.

**97. Returned candidates.–** (1).The candidates to the office of the head and the convenor of the political party or electoral group, securing highest number of votes in the respective electoral unit shall stand elected jointly.

(2). The candidates to the office of a councillor shall be elected in the ranking order given by the political party or the electoral group on whose slate they are contesting under section 83 of this Act, in proportion to the votes secured by that political party or electoral group in the respective electoral unit in the prescribe manner.

1. Where, two or more political parties or electoral groups in an electoral unit secure equal number of votes, fresh elections may be called.
2. Immediately after counting of votes, the results of every election under this Act shall be announced through a public notice by an electoral officer appointed in this behalf by the Election Commission which shall be followed by a notification in the official gazette by the Election Commission.

**98.** **Election Petition.–** No election under this Act shall be called in question except by an election petition made to the Election Tribunal constituted under section 99 of this Act by a candidate to that election.

**99.** **Election Tribunal.–** (1).The Election Commission shall, through an order, appoint an Election Tribunal for one or more electoral units as may be specified in that order, for the hearing of an election petition made under section 98 of this Act.

1. Every Election Tribunal shall consist of three or five members appointed by the Election Commission from amongst the persons in the service of Pakistan out of whom not less than one shall be, for the time being, a Judge or a retired Judge of the High Court.

**100.** **Powers of the Election Tribunal.–** An Election Tribunal shall, for the purpose of this Act, have all the powers of a civil court trying a suit under the Code of Civil Procedure, 1908 (Act V of 1908) and shall be deemed to be a Court within the meaning of sections 480 and 482 of the Code of Criminal Procedure, 1898 (Act V of 1898).

**101.** **Procedure for hearing of an election petition.–** Subject to the provisions of this Act, every election petition shall be made, heard and decided in the prescribed manner.

**102.** **Decision of Election Tribunal.–** (1) An Election Tribunal may, after having considered all relevant matters appertaining to an election petition, make any one of the following order, namely:-

1. dismissing that petition;
2. declaring the election of returned candidate to be void in terms of section 103 of this Act;
3. declaring the election of returned candidate to be void and the petitioner or any other contesting candidate to have been duly elected; or
4. declaring the election as a whole to be void in terms of section 105 of this Act.

(2). Every decision of an Election Tribunal under subsection (1) shall:

(a). be final and shall not be called in question in any court or before any other authority on any ground whatsoever;

(b). take effect from the date on which it is made; and

(c). be forthwith communicated to the Election Commission.

(3). All decisions of an Election Tribunal shall be expressed in terms of the opinion of the majority of its members.

**103.** **Ground for declaring the election of a returned candidate void.–** (1). The Election Tribunal shall declare the election of a returned candidate to be void if it is satisfied that:-

* 1. the nomination of the returned candidate was invalid; or
	2. the returned candidate was not, on the nomination day, eligible for being elected as a member; or
	3. the election of the returned candidate has been procured or induced by any corrupt or illegal practice or a corrupt or illegal practice has been committed by the returned candidate or his election agent or by any other person with the connivance of the candidate or his election agent.
1. The election of a returned candidate shall not be declared void merely on the ground that:-
2. any corrupt or illegal practice has been committed, if the Election Tribunal is satisfied that it was not committed by, or with the consent or connivance of that candidate or his election agent and that the candidate and the election agent took all reasonable precaution to prevent its commission; or
3. that any of the other contesting candidates was, on the nomination day, not qualified for being elected as a member.

**Explanation:** For the purpose of this section, the terms corrupt or illegal practice shall mean to include the breach of one or more of the prohibitions specified under sections 257, 258, 259, 260, 263 and 265 of this of this Act.

**104.** **Declaration of a person other than a returned candidate as elected.–** The Election Tribunal may in such cases where it after hearing a petition under section 98 of this Act determines that an election of a returned candidate is void, declare the petitioner or any other contesting candidate to have been duly elected if it is so claimed by the petitioner or any of the respondents and the Election Tribunal is satisfied that the petitioner or such contesting candidate was entitled to be declared elected.

**105.** **Declaration of an election as a whole void.–** The Election Tribunal shall declare an election as a whole to be void if it is satisfied that the result of the election has been materially affected by reason of a gross failure of any person to comply with the provisions of this Act or the rules, or the prevalence of extensive corrupt or illegal practice at that election.

**Explanation:** For the purpose of this section, the terms corrupt or illegal practice shall mean to include the breach of one or more of the prohibitions specified under sections 257, 258, 259, 260, 263 and 265 of this of this Act.

**106.** **Notification of election, resignation and removal of head, convenor and councillors.–** Every election, resignation or removal of a head, convenor and councillor, or the vacation of office by him shall be notified by the Government in the official gazette.

**107.** **Limit of election expenses and consequences of exceeding such limit.–** (1).Election expenses of a candidate to an election under this Act, his agent or any other person on his behalf, shall accumulatively not exceed such amount as the Election Commission may from time to time specify.

1. Without any prejudice to the provisions of section 273 of this Act, where election expenses of an elected candidate exceed the limit specified under subsection (1), he shall be disqualified from holding his office.

**108.** **Duty to declare election expenditure and consequences of failure.–** (1).Every candidate shall, in not more than thirty days from the date of an election under this Act, submit a return on expenditures incurred by him, his agent or by some other person on his behalf on that election.

(2). Without any prejudice to the provisions of section 274 of this Act, an elected candidate who fails to submit a return under subsection (1), or submits a return that contains particulars that to the knowledge of the candidate are false or misleading in a material particular, shall be disqualified from being a councillor.

**Chapter XVI – Qualifications and Term of Office of Councillors**

**109.** **Qualification for being a candidate, head, convenor or councillor.–** (1). A person shall be eligible to be a candidate for the office of a head, convenor or councillor if:

1. he, on the last day fixed for the filing of nomination papers for that election, is not less than twenty-five years of age; and
2. his name appears for the time being in the electoral roll of the electoral unit from where he is a candidate.
3. Without any prejudice to the provisions of subsection (1), no person shall be eligible to be a candidate for the office of a head, convenor or councillor or to hold the office of a head, convenor or councillor if:-
4. he is not eligible or becomes ineligible to be enrolled as a voter under section 89 of this Act;
5. he has been convicted by a court of competent jurisdiction on a charge of corrupt practice, moral turpitude or misuse of power or authority under any law for the time being in force;
6. he is under contract for work to be done or goods to be supplied to that local government or has otherwise any pecuniary interest in its affairs;
7. he is in or enters into the service of Pakistan, or any statutory body or other body which is set up, or owned or controlled by the Government, or a local government in Pakistan, or in which the Government or a local government has controlling share or interest or he is or becomes a salaried official of a public or statutory corporation;
8. he holds an office of profit in the service of Pakistan other than an office which is not whole-time office remunerated either by salary or by fee, or the office of Lumbardar, whether called by this or any other title, or the office of Qaumi Razakar;
9. he has been dismissed, discharged or compulsory retired from the service of Pakistan, or the service of a local government or a public or statutory corporation on the charge of misconduct or a corrupt practice;
10. he has obtained a loan for an amount of ten hundred thousand rupees or more, from any bank, financial institution, cooperative society or cooperative body in his own name or in the name of his spouse or any of his dependents, which stands unpaid for more than one year from the due date, or has had such loan written off;
11. he, his spouse or any of his dependents has not paid any tax, fee or any other charge payable to the government or a local government, or any amount exceeding ten thousand rupees due upon him, his spouse or any of his dependant for the use of any service such as telephone, electricity, gas and water for over six months; and
12. he is or becomes disqualified for membership of the Parliament or a Provincial Assembly under any law for the time being in force.

 (3). Without any prejudice to the provisions of subsection (1) and (2), a person shall not be eligible to contest election for the office of the head and the convenor unless he has, on the date of submission of his nomination papers, successfully completed fourteen years of formal education from a recognized institution.

(4). Where a person contesting an election to any office in the local government claims to be a Muslim, he shall submit to the Returning Officer a declaration given in the Fifth Schedule along with his nomination papers for the election.

**110.** **Effect of being found to be disqualified to be candidate, head, convenor or councillor.–** (1). A person, on being found by the Election Commission to have filed nomination papers for a local government election or having held the office of a head, convenor or councillor while knowing that he is not eligible to file such nomination papers or to hold such office under section 109 of this Act; or have made election expenses in excess of the limit given under section 107 of this Act; or to have failed to file a return on election expenses under section 108 of this Act; or filed a return that contains particulars that to his knowledge are false or misleading, shall:-

1. in case he is a candidate to a local government election, stand disqualified from being a candidate for any political office for the following ten years.
2. in case he is a head, convenor or councillor, cease forthwith to be such head, convenor or councillor and stand disqualified from being a candidate for any political office for the following ten years.
3. The Government, or any resident of the relevant local area may make a written complaint to the Election Commission to seek disqualification of a candidate from contesting local government election or a head, convenor or councillor from holding office on any ground mentioned in this section.
4. Every order of the Election Commission under this section shall be in writing and made after due inquiry into circumstances of the case.

**111.** **Bar against double membership and requirement to tender resignation to contest for certain other political offices.–** (1). No person shall at the same time be a head, convenor or councillor of more than one local governments.

1. Without any prejudice to the provision of subsection (1) above, no person shall at the same time be a head, convenor or councillor and a member of a provincial assembly or the Parliament

**112.** **Term of office of the council, head, convenor and councillors.–** (1). Every council shall, unless it is dissolved earlier under section 230 of this Act, continue for a period of five years from the date of its first meeting.

1. As soon as may be after the notification of the results of an election by the Election Commission, the Government shall fix a date of the first meeting of the councils.
2. Where for any reason, no date is fixed under subsection (2) despite the lapse of forty-five days after the notification of the results, the elected head may call first meeting of the council.
3. The term of office of every head, convenor and councillor shall, unless removed earlier under this Act, be the same as that of the council.

**113.** **Oath of office and submission of declaration etc.–** (1).A person elected as a head, convenor or councillor shall, before assuming his office, make and subscribe to an oath,appropriate to his office,in the form set out in the Sixth Schedule.

1. A head, convenor or councillor shall, after taking an oath under subsection (1) above, make and submit a declaration as to his immediate relatives and assets to the Government through the respective Chief Officer, respectively in the form set out in the Seventh and Eighth Schedule or such other form as the Government may from time to time prescribe.
2. The Government shall notify the fact of assumption of office by every head, convenor and councillor in the official gazette after having satisfied itself that the declarations referred to in subsection (2) above have been appropriately made.

**114. Every head, convenor and councillor to declare assets annually.–** In the like manner, every head, convenor and councillor shall declare his assets to the Government through the respective Chief Officer in the form set out in the Eighth Schedule each subsequent year of his office by the appointed date.

**115.** **Effect of failure to take oath or submit declaration.–** (1). The Government shall, after giving him an opportunity to show cause, disqualify an elected head, convenor or councillor from holding office, who fails to make or submit a declaration under section 113 of this Act within a period of thirty days from the date of his election.

1. In the like manner, the Government shall, after giving him an opportunity to show cause, disqualify a head, convenor or councillor from holding his office who fails to make or submit a declaration under section 114 of this Act within a period of thirty days from the appointed date.
2. The Government, respective Chief Officer or any resident of the relevant local area may make a written complaint to the Government for disqualification of a head, convenor or councillor under this section.

**116.** **Resignation by a head, convenor or councillor.–** (1).Any head, convenor and councillor may, at any time, resign from his office by writing under his hand to the respective Chief Officer whereupon his resignation shall be deemed to have been accepted and effective forthwith.

1. The Chief Officer receiving a resignation under subsection (1) shall forward it to the Election Commission and intimate the Government immediately.
2. On receipt of his resignation, the Election Commission shall by an order declare the office of the resigning head, convenor or, as the case may be, councillor to be vacant from the date of receipt of resignation by the Chief Officer.
3. Notwithstanding the resignation of a head, convenor or councillor under subsection (1), any proceedings for his removal under section 115 or 230 of this Act, if already initiated, shall not abate.

**117. Fresh elections to be called where office of the head falls vacant.–** (1). If, for any reason, the office of a head falls vacant during the term of a council, the Government shall call for a fresh election under section 91 of this Act.

(2). The head, convenor and councillors elected under subsection (1) shall, unless removed earlier under this Act, hold office for residual term of the council.

(3). If the office of a head falls vacant within one hundred and twenty days before the expiry of the term of the council, the vacancy shall not be filled.

**118. Filling of casual vacancies of convenor and councillors.–** (1). Subject to the provisions of subsection (4), if, for any reason, the office of a councillor falls vacant during the term of a council, the candidate immediately below the last elected candidate in the ranking order declared under section 83 of this Act by the political party or the electoral group to which the councillor vacating the office belonged, shall be elected to that office.

(2). If, for any reason, the office of the convenor falls vacant during the term of a council, the highest-ranking candidate in the ranking order declared under section 83 of this Act by the political party or the electoral group to which the convenor vacating the office belonged, shall be elected to the office of the convenor.

(3). A councillor or convenor elected under this section shall, unless removed earlier under this Act, hold office for residual term of the council.

(4). If a vacancy referred to in subsection (1) or subsection (2) occurs within one hundred and twenty days before the expiry of the term of the council, the vacancy shall not be filled.

**119.** **Temporary accession to the office of a head and convenor.–** (1). The convenor shall accede to the office of the head during his temporary absence.

(2). The highest ranking candidate in the ranking order declared under section 83 of this Act by the political party or the electoral group to which the convenor belongs, shall accede to the office of the convenor during his temporary absence.

**Explanation:** For the purpose of this section, absence shall mean temporary absence from office for reasons such as leave, travel and illness for a period of not more than sixty days.

**120. Certain restrictions to apply upon councillors while contesting for other political offices.–** (1).No head or convenor shall contest elections for any other political office without first resigning from and vacating his office.

(2). Where a councillor is elected to any other political office, immediately upon notification of such election, his seat as a councillor shall become vacant.

**121.** **Power of the Government to appoint an administrator.–** The Government shall, on the expiry of the term of a local government and pending the constitution of a new local government by way of elections under this Act, by an order published in the official gazette, appoint any of its officers to perform such functions of that local government as may be specified.

**PART 4**

**LOCAL GOVERNMENT FINANCE AND PROPERTIES**

**Chapter XVII – Local Government Funds**

**122.** **Funds of a local government.–** (1). Every local government shall establish and maintain the following funds, namely:

1. a local fund for the credit of such moneys and for such purposes as respectively specified in sections 123 and 124 of this Act; and
2. a public fund for the credit of such moneys and for such purposes as respectively specified in sections 125 and 126 of this Act.
3. A local government may:
4. establish a sinking fund under section 145 of this Act for repayment of any money borrowed by the local government under this Act;
5. with the prior permission of the Government, establish a special fund for any purpose other than the purposes mentioned in sections 123, 125 and 143 of this Act.
6. All funds of a local government shall be held in trust for the purposes of this Act.
7. All moneys payable to any fund of a local government shall be received by or on behalf of its Chief Officer and shall be forthwith consigned to custody as per provisions of section 126 of this Act.
8. All funds of a local government shall be administered in such manner as may be prescribed.

**123.** **Credit of moneys to a local fund.–** (1).There shall be credited to the local fund of a local government:-

1. such moneys as the local government may, on coming into force of this Act, succeed from the balance funds of a defunct local government under section 4 of this Act;
2. proceeds of all taxes, fees, rates, tolls and other charges levied by or on behalf of the local government under this Act;
3. all moneys received as rents and profits payable or accruing to the local government from property vested in or controlled or managed by it;
4. all moneys received as proceeds of the disposal of local government properties by, or on behalf of the local government under this Act;
5. all fines imposed under this Act and any such fine or part thereof which shall stand transferred to the local government under any other law for the time being in force;
6. all moneys received by way of administrative penalty, fine, compensation or compounding of offences under this Act;
7. all moneys transferred to the local government by the Government or by any other local government under this Act;
8. all moneys received as gifts, grants or contributions made to the local government by any person, organization, institution or the Government;
9. all moneys received by the local government in connection with the performance of its functions under this Act or any other law for the time being in force;
10. all interests and profits arising from any investment of, or from any transaction in connection with, any money belonging to the local government;
11. all loans raised by the local government under this Act; and
12. all proceeds from such other sources of income as the Government may, from time to time, direct to be placed at the disposal of the local government.
13. All moneys, for the time being, in a local fund shall form part of the composite cash balance of the Punjab but shall be used exclusively for the purpose and in accordance with the provisions of this Act.

**124.** **Application of local fund.–** (1).The moneys credited to the local fund shall be applied to various purposes in the following order of preference:-

1. Firstly, in making due provisions for the repayment of loan payable by the local government under Chapter XVIII of this Act;
2. Secondly, in making due provisions for the satisfaction of any judgement, decree or award against the local government;
3. Thirdly, in making payments for the conduct of election under this Act and in meeting any other expenditure declared by the government to be an appropriate charge on the local government;
4. Fourthly, in discharging all liabilities imposed upon the local government under section 4 of this Act;
5. Fifthly, in the payment of salaries, allowances and other remunerations of the officers and servants of the local government and making due provisions for their pensions and similar other expenses;
6. Sixthly, in the payment of all other sums, charges and costs necessary for effective discharge of functions of the local government under section 21 of this Act and for otherwise carrying into effect this Act, or of which the payment shall be duly or directly sanctioned under any of the provisions of this Act.

(2). A local government shall not, directly or indirectly, apply any part of its local fund, or any money under its control, for any purpose not authorised specifically or generally under this Act or any other law for the time being in force.

(3). During every financial year in which local government elections are to be held, the expenditure or commitment of expenditure of a local government prior to the convening of elections shall not exceed eight per centum per mensem of the relevant approved estimate of receipts and expenditure.

**125.** **Credit of monies to public fund.–** (1). There shall be credited to the public fund of a local government:-

1. all receipts accruing from a trust administered or managed by the local government;
2. refundable deposits received by the local government from one or more other local governments;
3. all deferred liabilities of the local government; and
4. an amount paid to the local government in trust for a person.
5. The moneys in a public fund shall not form part of the composite cash balance of the Punjab.

**126.** **Application of public fund.–** (1). The moneys from time to time credited to the public fund of a local government shall be applied in the following manner, namely:-

* 1. all payments accruing from a trust administered or managed by the local government shall be applied for the purposes of that trust;
	2. all refundable deposits received by the local government from another local government shall be applied for the refund of the deposited amount to that local government;
	3. all moneys received as a deferred liability shall be applied towards retiring that liability; and
	4. an amount paid to local government in trust for a person shall be applied for making payment to that person.
1. The moneys from time to time credited to the public fund of a local government shall not be applied to any purpose other than the purposes specified in this section.

**127.** **Custody of funds.–** (1). All moneys credited to a local fund, public fund or any other fund established under this Act shall, if not otherwise invested in accordance with section 127 of this Act, be kept in the State Bank, a treasury, a post office or such bank or banks as may be appointed by the Government for this purpose.

1. All interests, profits, dividends or other sums received in respect of such custody of a fund shall, as soon as may be, after receipt or becoming due, accrue to that fund.

**128.** **Investment of surplus funds.–** A local government may, from time to time, invest for profitable purposes any sums in its local fund, public fund or any other fund which cannot immediately or at an early date be applied to the purposes of this Act or of any loan raised under this Act –

1. in government securities;
2. with an authorized deposit-taking institution; or
3. in any other manner prescribed by the Government either generally or specifically to be an authorized manner of investment for the purpose of this section.
4. All incomes, profits, dividends or other sums resulting from an investment made under subsection (1) shall, as soon as may be, after receipt or becoming due, accrue to the relevant fund.

**129.** **Cognizance of wrongful application of moneys.–** Where, in the opinion of the Government, a local government has applied or is applying money in the local fund to a purpose not specified, or in disregard of the order of preference given under subsection (1) of section 124 of this Act, or to a purpose without first applying sufficient amount to a purpose carrying higher order of precedence, or moneys in the public fund to a purpose not specified in section 125 of this Act, the Government may, in addition to proceeding against the local government under any other provision of this Act, direct the person having custody of that local fund to pay such amount or so much thereof as may be possible from time to time, from the balance of the local fund to the purpose which has been disregarded or to which insufficient amounts have been applied.

**Chapter XVIII – Local Government Budget**

**130.** **Legal basis for local government expenditure.–** (1).Subject to other provisions of this Act, a local government shall have the power to spend such sums from its funds as arenecessary for the purposes of this Act.

1. No expenditure shall be incurred by or on behalf of a local government from its local fund unless it is:
2. previously authorized in the estimates of receipts and expenditure approved under sections 131 of this Act; or
3. previously authorized in the estimates of receipts and expenditure certified by the Government under section 132 or section 135 of this Act; or
4. made under an order of the Government under sections 123 of this Act; or
5. necessarily incurred in circumstances of emergency in relation to a function of the local government.
6. All expenditures incurred by or on behalf of a local government in the circumstances of an emergency shall, as soon as may reasonably be possible, brought to the notice of the council and if such expenditure was made by a Chief Officer or any other authority, also to the notice of the head.
7. A consolidated account of all expenditures incurred during each financial year shall be presented to the council when an estimate of receipts and expenditure for the next following financial year is presented under section 131 of this Act.

**131.** **Submission of estimates of receipt and expenditure by head and its approval.–** (1). By the first of March of each financial year, every head shall:

1. cause to be prepared a draft estimate of receipts and expenditure of the respective local government for the next following financial year;
2. publish the draft estimate of receipts and expenditure for public information in such manner as may appear appropriate to him; and
3. not less than fifteen days after publication of draft estimate of receipts and expenditure, present it before the council.

(2). The council may, at a public meeting and with a simple majority of vote of all councillors holding office:

1. revise the draft estimate of receipts and expenditure in such manner as the council considers appropriate;
2. having regards to the provisions of sections 134 and 135 of this Act, approve the estimate of receipt and expenditure.

(3). Where in the view of the head, the revision of estimate of receipts and expenditure under clause (a) of subsection (2) above is not in accordance with the provisions of this Act or is otherwise inappropriate, he may, again present the estimate of receipt and expenditure, with or without any revision, before the council.

(4). The council may, at a public meeting, consider the estimate of receipt and expenditure presented before it under subsection (3) and:

(a). having regards to the provisions of sections 134 and 135 of this Act, approve it with a simple majority of vote of all councillors holding office; or

(b). revise or reject it with a two-third majority of vote of all councillors holding office.

(5). An estimate of receipt and expenditure approved under clause (b) of subsection (2) or approved or revised under subsection (4) shall be the approved estimate of receipt and expenditure of the local government for the following financial year.

(6). If, for any reason, the estimate of receipt and expenditure is not approved before the commencement of the financial year to which it pertains, the local government expenditures, on various categories of expense, for that financial year shall be made in accordance with the approved estimates for the preceding financial year on *pro rata* basis till such time the estimate is approved under this section or an order for this purpose is issued by the Government under section 131 of this Act, whichever is earlier.

**132.** **Government to certify estimates if not approved by a local government.–** (1). In case where the estimate of receipts and expenditures of a local government is not approved under section 130 of this Act within thirty days of the commencement of the financial year to which it pertains, the Government may, after due notice to the relevant head and having regards to the needs of that local area, cause such estimate to be prepared on its own and may also certify it.

1. The estimate of receipts and expenditure certified under subsection (1) shall be deemed to be the approved estimate of receipts and expenditure of the local government for that financial year.

**133.** **Revision of the approved estimates.–** (1). At any time before the expiry of the financial year to which an approved estimate of receipts and expenditure relates, the head or the council may reduce, add or transfer the amount or a portion thereof from one category of expense in the estimate to another category or authorize an additional category of expenditure, if the same is considered necessary for the purpose of this Act,

1. The revision of an approved estimate of receipts and expenditure under this section shall, so far as may be, subject to the provisions of section 130 of this Act.

**134.** **Duty of a local government to readjust income and expenditure in certain cases.–** (1).If at any time during a financial year, it appears to the head or the council that the receipts of local fund of the local government during the same financial year will not suffice to meet the expenditure sanctioned under the approved estimate for that year, the head or the council shall sanction forthwith any measures which they consider necessary for proportionating the year’s receipt to expenditure.

1. For the purposes of subsection (1), in addition to any other measure authorized under this Act, a head or the council may either diminish the sanctioned expenditure for relevant financial year so far as it may be possible with due regards to all the requirements of this Act, or have recourse, subject to other provisions of this Act, to supplementary taxation or to an increase of rates or charges, or adopt all or any of those methods.
2. The readjustment of an approved estimate under this section shall, so far as may be, subject to the provisions of section 131 of this Act.
3. Where in the opinion of the Government, sufficient circumstances exist for an action under subsection (1) and the head or the council are not taking such action or a sufficient action, it may, after affording an opportunity of hearing to the head, make one or more provisions as given under subsection (2) and such provisions shall be deemed to be authorized by the local government under this section.

**135.** **Receipts to always exceed the expenditure of local governments.–** An estimate of receipts and expenditures shall not be approved unless the estimated receipts for the relevant financial year exceed the sums required to meet estimated expenditure of a local government for that year.

**136.** **Ring fencing of expenditure of local governments.–** The Government may, in consultation with the Finance Commission, fix minimum expenditure which shall be made by a local government during any financial year towards a public service provided by it which, in its opinion, is necessary to maintain minimum service standards pertaining to that public service.

**137.** **Authority of the Government to review approved estimates.–** (1). Every Chief Officer shall forthwith submit every estimate of receipt and expenditure approved or revised by the respective local government to the Government for review.

(2). If during a review under subsection (1) above, it is determined that the approved or revised estimate is contrary to any provision of this Act or the rules, the Government may after offering an opportunity of hearing to the head, direct the local government to suitably amend the estimate within a prescribed period.

(3). If a local government fails to amend the estimate pursuant to a direction under subsection (2), the Government may amend the estimates and certify them.

(4). The estimates certified under subsection (3) shall be deemed to be the approved estimate of receipts and expenditure of the local government for the relevant financial year.

**138.** **Advance notification of provisional amounts by Finance Commission.–** (1).The Finance Commission shall, by the first of March of each financial year, notify the provisional amounts which may be credited to the local fund of each local government from provincial resources during the following financial year under section 183 of this Act.

1. If provisional amounts to be transferred to the local fund of a local government are not notified as required under subsection (1) above, the local government may proceed with the preparation and approval of estimate basing on the amount of funds credited to it by the Government during the preceding financial year.
2. The estimate of receipts and expenditure approved under subsection (2) above may be revised by the local government after the notification of amounts to be credited to its local fund in, so far as may be, accordance with the provisions of section 131 of this Act.

**Chapter XIX – Borrowing by Local Governments**

**139.** **Power of a local government to borrow money for certain purposes.–** (1).Having regards to other provisions of this Act, a local government may with the previous sanction of the Government, raise a loan of any sums of money for one or more of the following purposes, namely:-

1. construction of a permanent work;
2. purchase of any facility, amenity, equipment, plant, or apparatus the cost of which, in the opinion of the council, be spread over a term of two or more years;
3. acquisition of land for the purposes of this Act; and
4. repayment of a loan raised by the local government under this Act or any other loan or debt for the payment of which the local government is liable.
5. A local government shall not raise a loan under subsection (1) except in pursuance of a resolution of the council in a special meeting.
6. The amount of loan to be raised, the period within which it shall be repaid and terms and conditions and method by which the loan is to be raised and repaid by a local government, shall be such as approved by the Government.

**140.** **Conditions precedent for approval of a loan and methods of borrowing.–** (1). No approval for a loan under section 139 of this Act shall be granted unless the Government is satisfied that:

1. the loan is meant for one or more purposes mentioned in section 143 of this Act;
2. by reason of the nature of expenditure incurred or to be incurred by a local government, the expenditure shall be met by borrowing; and
3. the financial position of the local government is such that the repayment of loan is probable.
	* 1. Subject to approval of the Government, a local government may raise a loan by any one or more of the following methods:-
4. on the security of all or any immovable property vested in the local government; or
5. on the security of all or any of the incomes likely to accrue to the local government from taxes, fees, rates, tolls and other charges under this Act; or
6. by the issue of bills or promissory notes payable within any period not exceeding twenty-four months; or
7. by an overdraft from a bank; or
8. by means of an agreement with the Government for borrowing moneys out of the Local Development Fund established under section 141 of this Act; or
9. by any other specified method.

**141.** **Local Development Fund.–** (1).The Government may establish and maintain a fund to be called the Local Development Fund for the purposes of section 139 of this Act.

1. The Government may require every local government to contribute money to the Local Development Fund in such amounts, manner and terms and conditions as may be prescribed.
2. Without any prejudice to the provisions of subsection (2), the Government may endow the Local Development Fund with such sum as it may consider appropriate.

**142.** **Limits on authority of local government to borrow moneys.–** The authority of a local government to borrow money shall be limited so that the total sums payable by the local government shall not, at any time, exceed together with the balances of all outstanding loans and debts due by the local government, in the whole, double the average annual value of the taxes, fees, rates, tolls and other charges raised by that local government under this Act for the three consecutive preceding financial years.

**143.** **Application of sums raised by borrowing.–** (1).When any sum of money has been borrowed by a local government under section 139 of this Act:-

1. no portion thereof shall, without the previous sanction of the Government, be applied to any purpose other than that for which it was borrowed;
2. no portion thereof shall be applied to the payment of salaries or allowances or other remunerations of any officers of the local government; and
3. no portion thereof shall be applied to the payment of day to day expenditure of the local government.
4. Nothing in clause (b) of subsection (1) above may be construed to bar payment from the borrowed money any sums on account of salary or allowance or other remuneration to such officers or staff of the local government who are exclusively employed upon works for the construction of work for which the money was borrowed.

**144.** **Repayment of borrowed moneys.–** (1).Every loan raised by a local government shall be repaid within the time approved under section 139 of this Act and by such of the following methods as may be approved, namely:-

1. by payment from a sinking fund established under section 145 of this Act in respect of the loan;
2. by equal or agreed payments of principal and interest;
3. by equal or agreed payments of principal;
4. from any sums borrowed for the purpose under section 139 of this Act; or
5. partly from the sinking fund in respect of the loan and partly from money borrowed for the purpose under section 139 of this Act.
6. A local government may, with the prior sanction of the Government and after securing an agreement with the lender, resettle the period and the terms by which a loan raised by it is to be repaid.

**145.** **Sinking fund.–** (1). Where payment from a sinking fund has been approved as a method for the repayment of a loan under section 139 of this Act, the respective local government shall establish a fund to be called the sinking fund for that loan and pay into this fund on such dates as may have been approved, such sums as will, with the accumulation of compound interest, be sufficient, after payment of all expenses, to pay off the loan at the approved time.

* 1. If at any time the sum standing to the credit of a sinking fund is of such amount that if allowed to accumulate at compound interest it will be sufficient to repay the loan at the time approved, further payments by the local government into such fund may be discontinued with the previous permission of the Government.
	2. A local government shall not apply sums standing to the credit of a sinking fund to any purpose, other than repayment of loan or investment under section 144 of this Act, unless the loan for the repayment of which it was established is wholly repaid.

**146.** **Investment of sinking fund.–** (1). All moneys paid into a sinking fund shall, as soon as possible, be invested by the local governmentin one or more of the following methods, namely:-

1. investment in government securities;
2. investment in a deposit-taking institution nominated by the Government from time to time; or
3. any other manner prescribed by the Government either generally or specifically to be an authorized manner of investment for the purpose of this section.
4. All profits, interests, dividends or other sums received in respect of any investment under subsection (1) shall, as soon as possible after receipt, be paid into the appropriate sinking fund and invested in the aforesaid manner.
5. Any investment made under this section may, from time to time, be varied or transposed.

**147.** **Inspection of sinking funds and payment of any deficient amounts by local government.–** (1).A sinking fund established under this Act shall be subject to annual inspection by the Auditor General.

1. A local government shall forthwith pay into a sinking fund any such amount which the Auditor General may certify to be deficient as a result of an inspection under subsection (1) unless the Government by general or special order permits a gradual readjustment.
2. In case of a dispute as to the accuracy of any certificate made by the Auditor General under subsection (2), the relevant local government may, after making the payment, refer the matter to the Government and the decision of the Government with respect to that matter shall be final.

**148.** **Attachment of local fund in default of repayment of loan.–** (1). If any money borrowed by a local government or any interest or cost due in respect thereof is not repaid according to the conditions of the loan, the Government may if it has itself given the loan and in other cases shall, on the application of the lender, attach local fund or a portion thereof as it considers appropriate.

1. After such attachment, no person except an officer appointed in this behalf by the Government shall, in any way, deal with the attached local fund or a portion thereof.
2. An officer appointed under subsection (2) may do all acts in respect of attached local fund or portion thereof which any local government, authority or officer may have done if such attachment had not taken place, and may apply the proceeds in satisfaction of the arrears and of all interest and cost due in respect thereof and subsequent proceedings.
3. No attachment under subsection (1) shall defeat or prejudice any debt for which the fund or portion thereof is attached was previously pledged in accordance with law, but all such prior charges shall be paid out of the proceeds of the fund, or portion thereof, before any part of the proceeds is applied to the satisfaction of the debt in respect of which such attachment is made.

**149.** **Annual statement of moneys borrowed.–** (1).The Chief Officer of a local government shall at the end of each financial year, prepare a statement showing:-

1. the loans borrowed by the local government during the financial year with particulars as to the amount and date of borrowing and the annual loan charges;
2. in the case of every loan for which a sinking fund has been established under section 145 of this Act, the amount of accumulation in the sinking fund during the financial year showing separately the amount paid to the credit of the sinking fund;
3. the loan repaid during the financial year and in the case of loans repaid in instalments or by annual drawings, the amounts repaid and the balance due at the close of the financial year; and
4. the particulars of investments to which the sinking funds have been applied.
5. Every statement prepared under subsection (1) shall be laid before the council and a copy of such statement shall be published in the official gazette and submitted to the Government and to the Chief Auditor on such date as the Government may, from time to time, appoint.

**Chapter XX – Local Government Properties**

**150.** **Local government properties.–** (1).Subject to any conditions imposed by the Government, all properties whether movable or immovable specified hereunder, and all interests of whatsoever nature or kind therein, shall vest in a local government:-

1. all lands, buildings or other properties which were vested in any defunct local government of which the local government is the successor under section 4 of this Act;
2. all lands or other properties transferred to the local government or acquired by gift, purchase or otherwise for the purposes of this Act;
3. all public and other buildings of every description and all works, materials and things appertaining thereto which are maintained by the local government in relation to its functions under this Act;
4. all lands, open spaces, play grounds, gardens, parks and other places of public resort transferred to the local government by gift, purchase or otherwise for the purposes of this Act;
5. all public streets, roads, bridges and other means of public communication which are transferred to the local government and the pavements, stone and other material thereof and also trees growing on, and erections, materials, implements and things provided with them;
6. all public sewers and drains, and all sewers, culverts and other channels for sullage in or under any public street, or constructed by or for the local government in the respective local area and all works, materials and things appertaining thereto;
7. all works for the disposal of refuse and night soil maintained by the local government;
8. all public lamps, lamp posts and other appliances for street lighting maintained by the local government;
9. all public streams, springs and works for supply, storage and distribution of drinking water for public purposes maintained by the local government and all buildings, machines, materials and things or land, not being privately owned land, appertaining thereto;
10. all trees, plants and flowers on roadsides and other places maintained by the local government; and
11. all other property which may vest in the local government under any law for the time being in force or an order of the Government
12. Every local government shall maintain a register of all properties along with a map of all immovable properties of which it is the proprietor or which vests in it or which it holds in trust for the Government or any other authority or person.

**Explanation:** For the purpose of this section, a building map shall include any location maps as well as a map indicating the layout of the building.

**151.** **Application of local government properties.–** (1).The properties of a local government shall not be applied for any purpose other than for the purposes of this Act or any other law for the time being in force.

1. A local government shall inspect, manage, maintain and whenever so required develop or improve any property which is owned by or vested in it or which is otherwise placed under its charge.

**152.** **Disposal of local government properties.–** (1).Immovable properties of a local government shall not be sold or permanently alienated except with the prior permission of the Government.

* 1. Such moveable properties of a local government which, in the opinion of the council, may be disposed of as being no more required or having become unserviceable, shall be sold through competitive bidding in a public auction.

**153.** **Resumption of a property by the Government.–** (1).The Government may resume any immovable property transferred to a local government where such property is required for a public purpose.

1. The Government shall not be liable to pay any compensation for resumption of an immovable property under subsection (1) other than the amount paid by the local government for transfer of that property and the market value at the date of resumption of any building or works erected or executed thereon by the local government subsequent to the aforesaid transfer.
2. For the purpose of removing any ambiguity in this regard, nothing in this section shall be construed to allow the Government a right to resume any immovable property which the local government has acquired through purchase, or a gift from a person or entity not being the Government.

**154.** **Annual stock take of local government properties.–** Once in every financial year, every local government shall take a physical stock of all properties vested in it in the prescribed manner and publish a report on the results for general information.

**155.** **Insurance of certain local government properties.–** A local government may, subject to the rules and any other relevant law for the time being in force, insure any property, whether moveable or immoveable in which it has an insurable interest, against any contingency which may result in the imposition of any liability or loss to the local government.

**Chapter XXI – Local Government Taxes, Fees, Rates and Tolls**

**156.** **Authority of a local government to levy taxes etc.–** For the purpose of this Act, a local government may, through a notification published in the official gazette, levy all or any of the taxes, fees, rates, tolls and other charges given in the Ninth Schedule.

**157.** **Procedure for imposition, revision or abolishment of a local tax etc.–** (1).A head may make proposal with respect to:-

1. levy of a new tax, fee, rate, toll or other charge under this Act; or
2. increase or reduction in the incidence of a tax, fee, rate, toll or other charge or otherwise revision of a tax, fee, toll or other charge which is for the time being in force under this Act; or
3. suspension or abolishment of a tax, fee, rate, toll or other charge which is for the time being in force under this Act; or
4. exemption of any person or class of persons, or property or goods or class of property or goods, or services or other things from the levy of a tax, fee, rate, toll or other charge which is for the time being in force under this Act.
5. Every proposal for levy of a new tax, fee, rate, toll or other charge under subsection (1) shall, among other things, mention:
6. the class of persons, or description of property or goods, or services or other things on which the proposed tax, fee, rate, toll or other charge shall apply;
7. the method of assessment of the proposed tax, fee, rate, toll or other charge;
8. the incidence at which the tax, fee, rate, toll or other charge is to be levied.
9. As soon as may be after making of a proposal under subsection (1) above, the head shall, through a public notice, invite suggestions and objections on the proposal mentioning therein, among other things, the date and time by which the suggestions and objections shall be submitted.
10. The last date of submission of objections under subsection (3) above shall be fixed in such manner as to allow not less than thirty clear days commencing from the date of publication of the notice.
11. Any resident of the relevant local area or a person affected by the proposal referred to in subsection (1) above, may submit his suggestions or objections or both in writing to the Chief Officer by the date and time appointed under subsection (3) above.
12. After having considered all suggestions and, as the case may be, objections received under subsection (5), the head may:
13. accept suggestions and objections in as much as he deems appropriate and present a revise proposal before the council in a public meeting; or
14. reject the suggestions and objections and present his original proposal before the council in a public meeting.
15. The council may with a simple majority of vote of all councillors, for the time being holding office:
16. revise or further revise the proposal in such manner as the council considers appropriate; or
17. having regards to other provisions of this Act, approve the proposal;

(8). Where in view of the head, the revision or further revision of the proposal under clause (a) of subsection (7) above is not in accordance with the provisions of this Act or is otherwise inappropriate, he may, present the proposal, with or without any further revision, before the council again.

(9). The council may, at a public meeting:

(a). approve the proposal presented before it with simple majority of vote of all councillors holding office; or

(b). revise or reject it with a two-third majority of vote of all councillors holding office.

**158.** **Date on which local taxes etc. become effective.–** Where a proposal for the levy of a tax, fee, rate, toll or other charge for the abolishing or increase or decrease in the incidence or otherwise revision of a tax, fee, rate, toll or other charge which is, for the time being, in force under this Act is approved under section 157 of this Act, the council or as the case may be the head shall specify a date for the enforcement of the proposal and such tax, fee, rate, toll or other charge, or the abolishing or increase or decrease of the incidence or otherwise revision shall take effect from that date.

**159. Rating areas and property tax.–** (1). On the commencement of this Act, a rating area in which tax has been imposed under the Punjab Local Government Act, 2013 (Act XVIII of 2013) shall continue to be the rating area within the meetings of the Punjab Immovable Property Tax Act, 1958 (Act V of 1958).

(2). Notwithstanding anything contained in in the Punjab Immovable Property Tax Act, 1958 (Act V of 1958) a local government to which urban immovable property tax relates to, may determine the rate of this tax in accordance with section 157 of this Act.

(3). If no determination under subsection (2) is made, the rate of urban immovable property tax shall be determined under the Punjab Immovable Property Tax Act, 1958 (Act V of 1958).

**160.** **Power of the Finance Commission in case of unfair local taxes etc.–** (1).If at any time, it appears to the Finance Commission, on a representation made for this purpose or otherwise, that the incidence of a tax, fee, rate, toll or other charge imposed under this Act is unfair or excessive or that levy of a tax, fee, rate, toll or other charge or of any part thereof is injurious to the interests of the general public, the Finance Commission may through an order require the concerned local government to take, within a prescribed period, measures to remove the objection.

1. If a local government fails to comply with the order of the Finance Commission under subsection (1) to their satisfaction within the prescribed period, the Government may suspend the levy of the objectionable tax, fee, rate, toll or other charge or of such part thereof until the objection is removed.
2. Any resident of the relevant local area or a person or entity affected by the imposition or levy of a tax, fee, rate, toll or other charge may make a representation to the Finance Commission under subsection (1).

**161.** **Duty to furnish information on liability to local tax etc.–** Every resident of the relevant local area and every other person subject to any tax, fee, rate, toll or other charge imposed under this Act, shallon demand of the Chief Officer or an officer authorized by him in this behalf, furnish such information, produce such record or accounts, or present such goods, vehicles, animals or other things which are liable to the tax, fee, rate, toll, or other charge, as may be necessary for the purpose of determining their liability to the tax, fee, rate, toll, or other charge as the case may be or the assessment thereof.

**162.** **Power of entry for the purpose of valuation of local taxes etc.–** The Chief Officer or an officer authorized by him in this behalf, may after giving due notice to the occupier, or, if there is no occupier, to the owner of a building or premises, at any time between sunrise and sunset, enter upon any building or premises for the purpose of assessing the liability of that building or premises to any tax or inspecting any goods, vehicles, animals or other things therein liable to any tax, fee, rate, toll or other charge under this Act.

**163.** **Presentation of bill for local taxes and rates.–** (1).When any sums become due for payment on account of any tax, fee, rate, toll or other charge under this Act, the Chief Officer shall, cause to be presented to any person liable for payment thereof a bill for the sum claimed as due.

1. Every such bill shall specify the period for which and the property, occupation, services or things in respect of which the sum is claimed and shall also give notice of the time by which the sums shall be paid and liability incurred in default of payment and the time within which an objection may be preferred against such claim under section 162 of this Act.

**164.** **Notice of demand to be issued on non-payment of bill.–** (1).If the sum for which a bill has been presented under section 163 of this Act is not paid within the time specified therein, the Chief Officer may cause to be served upon the person to whom such bill has been presented a notice of demand in the prescribed form.

1. For every such notice of demand, a fee of such amount, not exceeding fifteen per centum of the sums due, shall be payable by the said person, and the said amount shall be included in the cost of recovery.

**165.** **Payment of local tax etc. subsequent to receipt of bill or notice of demand and consequences of default.–** (1).A person upon whom a bill or notice of demand has been served under section 163 or 164 of this Act, may:-

1. pay the sum demanded in the bill or notice of demand to the local government concerned as directed in the bill or notice; or
2. within fifteen days from the service of such bill or notice of demand make an objection in writing to the Chief Officer and show cause to his satisfaction as to why he should not pay the sum indicated in the notice; or
3. prefer an appeal in accordance with the provisions of section 167 of this Act against the determination of a Chief Officer under clause (b) above.
4. Where such person does not pay the sum demanded, or show cause or prefer an appeal under subsection (1), the Chief Officer may refer a case for the recovery of such sums as an arrear of land revenue to the respective Collector.

**166.** **Investigation of objections by Chief Officer.–** (1).The Chief Officer shall cause all objections made before him under section 162 of this Act to be entered in a register to be maintained for this purpose and shall give a notice in writing to the objector of a time and place at which his objection shall be investigated.

* 1. At the time and place fixed under subsection (1), the Chief Officer shall hear the objection, in the presence of the objector or his authorized agent if he appears; or may, for reasonable cause, adjourn the investigation.
	2. When the objection has been determined, the order passed on such objection shall be recorded in the register mentioned in subsection (1) and if necessary, the bill or demand notice shall be amended or withdrawn in accordance with the result of investigation.
	3. The Chief Officer shall cause to be immediately delivered to the objector, free of any charge, a certified copy of the order made by him under subsection (3).

**167.** **Opportunity to make appeal against the determination of Chief Officer.–** (1).A person aggrieved with the determination of a Chief Officer under section 163 of this Act, may, within thirty days next after the receipt of such order, file an appeal before the respective Collector.

1. No appeal shall be heard or determined by the Collector unless it is made in writing and is accompanied by an order of the Chief Officer appealed against.
2. It shall be the duty of every local government to give effect to the decisions of the Collector in relation to an appeal made under this section.
3. The Collector shall, for the purpose of this section, have all the powers of a civil court trying a suit under the Code of Civil Procedure, 1908 (Act V of 1908) and shall be deemed to be a Court within the meaning of sections 480 and 482 of the Code of Criminal Procedure, 1898 (Act V of 1898).

**168.** **Liability for local tax etc. to be called in question only under this Act.–** No assessment of a tax, fee, rate, toll or other charge under this Act or the liability of a person for such tax, fee, rate or toll shall be called in question except in accordance with the provisions of this Act.

**169.** **Payments to be made in authorized banks against receipts.–** (1). All sums on account of a taxe, fee, rate and any other charges under this Act shall paid to the local government through an authorized bank unless a permission for any other method of payment is obtained from the Government.

(2). For all sums paid to a local government on account of any tax, fee, rate, toll or other charge under this Act, a receipt, stating among other things the amount and the tax, fee, rate, toll or other charge on account of which it has been paid, shall be tendered by the person receiving such payment on behalf of the local government.

**170.** **Writing off of irrecoverable taxes etc.–** (1).At the close of each financial year, every Chief Officer shall prepare a statement of all such sums due to the respective local government on account of any tax, fee, rate, toll or other charge which, in his opinion, are irrecoverable.

1. The Chief Officer shall present the statement prepared under subsection (1) to the council and after due consideration, the council may order that such sums or any part thereof shall be struck off the relevant books kept under section 172 of this Act.
2. The Chief Officer shall cause an authenticated copy of the statement prepared under subsection (1) along with an authenticated copy of the statement of struck off dues to be displayed at a conspicuous place in the office of the local government for public inspection and shall, on application of any person, also cause to be furnished to him a copy thereof or any extract thereof on payment of such fee as may, from time to time, be fixed by the council.

**171.** **Tax etc. not to become invalid for defect in form.–** (1).No assessment of value, or charge or demand of any tax, fee, rate, toll or other charge made under this Act, shall be called in question or in any way be effected by reason of:-

1. any mistake in the name, residence, place of business or occupation of any person liable to pay such tax, fee, rate, toll or other charge; or
2. any mistake in the description of any property, service or thing liable to such tax, fee, rate, toll or other charge; or
3. any mistake in the amount of assessment of such tax, fee, rate, toll or other charge; or
4. any clerical error; or
5. any other defect of form.
6. It shall suffice for any assessment of value, or charge or demand of a tax, fee, rate, toll or other charge that the person, property, service or any other thing subject thereof is so described as to be sufficiently identifiable.

**172.** **Records pertaining to valuation, assessment and collection of local tax etc.–** (1).Every Chief Officer shall prepare and maintain records pertaining to valuation, assessment and collection of all taxes, fees, rates, tolls and other charges levied by the local government in the prescribed manner.

1. All records prepared and maintained by the Chief Officer under subsection (1) above shall be authenticated by the respective head.
2. The Chief Officer shall cause to be displayed at a conspicuous place in the office of the local government a copy of all records authenticated under subsection (2) above for public inspection and shall, on application of any person, also cause to be furnished to him a copy thereof or any extract thereof on payment of such fee as may, from time to time, be fixed by the council.

**173. Authority of the Government to appoint any of its agency or officer for local tax collection.–** (1). In the interest of economy, efficiency and effectiveness, the Government may by a notification in the official gazette, direct that an agency or an officer of the Government engaged in collection of its tax, fee, rate, toll, or other charge shall also collect one or more taxes, fees, rates, tolls or other charges on the behalf of one or more local governments or constitute an agency for this purpose and provisions relating to authority of the Chief Officer in relation to collection of local tax, fee, rate, toll or other charge under this Act shall *mutatis mutandis* apply on that agency or officer.

(2). Agency or officer referred to in subsection (1) above shall, to the extent of collection of a local tax, fee, rate, toll or other charge be responsible to the respective local government.

**Chapter XXII – Local Government Finance Commission**

**174.** **Establishment of Local Government Finance Commission.–** (1).As soon as may be, but not later than six months after the commencement of this Act,the Government shall appoint a commission to be called the Punjab Local Government Finance Commission, hereinafter referred to as the Local Government Finance Commission, to perform such functions as are mentioned in this Act.

(2) The Finance Commission shall comprise of thirteen members including the Chairperson as under:

1. The Minister in charge of Finance Department, who shall also be the Chairperson of the Finance Commission;
2. The Minister in charge of Local Government Department, who shall be the co-Chairperson of the Finance Commission;
3. The Secretary in charge of Finance Department, who shall also be the Secretary of the Finance Commission;
4. The Secretary in charge of Local Government Department;
5. The Secretary in charge of Planning and Development Board;
6. Four experts, out of whom one shall be a woman, on local governments and local government finance appointed in terms of section 174 of this Act; and
7. Four heads of the local government selected through drawing of lots in the following manner:
8. one head from amongst all heads of Metropolitan Corporations in the Punjab;
9. one head from amongst all heads of Municipal Corporations, Municipal Committees and Town Committees in the Punjab; and
10. two heads from amongst all heads of Tehsil Councils in the Punjab.

(3). In case of the absence of the chairperson for any reason, the co-chairperson shall chair the Finance Commission and in case he is also absent, the present members shall elect one of them to chair the Finance Commission for the duration of his absence.

(4). The Finance Commission may co-opt any other person for advice in relation to a particular matter under its consideration; however, the co-opted member shall have no right of vote.

(5). No proceedings or act of the Finance Commission shall be invalid merely on ground of existence of a vacancy or defect in composition of the Finance Commission.

(6). The members of the Finance Commission shall be paid such remuneration and other allowances as the Government may determine from time to time.

(7). The remuneration and other allowances of a member of the Finance Commission shall not be varied to his disadvantage during his term in office.

**175.** **Term of office and premature removal of certain members.–** (1).The Ministers and Secretaries referred to in section 174 of this Act shall hold the office of member of Finance Commission on ex-officio basis.

1. A head referred to in section 174 of this Act shall hold the office of member of Finance Commission for one year from the date of assumption of office.
2. An expert member referred to in section 174 of this Act shall hold office for five years from the date of assumption of office.
3. The Government may, after due notice and inquiry in the prescribed manner, remove any member of the Finance Commission, not being the Minister or a Secretary referred to in section 174 of this Act, during the tenure of his office on ground of inefficiency, misconduct, misuse of office or inability to perform functions on account of bad health or physical or mental incapacities.
4. Any member of the Finance Commission, not being the Minister or a Secretary referred to in section 174 of this Act, may resign from his office by writing under his hand.

**176.** **Casual vacancies.–** (1).Where the position of a member, not being the Minister or a Secretary to the Government of the Punjab, becomes vacant on account of his resignation, removal, death or for any other cause, the Government shall appoint a person to fill this vacancy in the same manner as was applicable for the selection of that member.

* 1. A person appointed under subsection (1) shall hold office for the remainder of the term of office of the member to whom he replaces.

**177.** **Eligibility for appointment as an expert or as a head.–** (1).A person shall be eligible for appointment as an expert memberunder section 174 of this Act only if:

1. he holds at least sixteen years education in a discipline related to the functions of the Finance Commission, possesses special knowledge of finance and accounts, or working of the local governments in general with at least twenty-year experience in financial, administrative or economic or any other related affairs;
2. he is, for the time being, qualified to be a candidate for an election under section 109 of this Act;
3. he is not in the service of Pakistan or any office or body which is set up, or owned or controlled by the Government, or a local government in the Punjab, or in which the Government or a local government has a controlling share or interest or otherwise holds any office of profit in the Government;
4. he is not a member of a political party or holds any office of a political party or is in the employment of a political party or on the date of his consideration for appointment at least five years have not lapsed since he ceased to be such member, or holder of such office or in such employment.

(2). A person who has previously remained as an expert member shall be eligible for re-appointment as a member of the Finance Commission.

(3). No head shall be eligible for appointment as a member of the Finance Commission if he has previously remained a member of the Finance Commission as a head.

(4). An expert member or head who has previously been removed from the office of a member of the Finance Commission under subsection (4) of section 172 of this Act shall not be eligible for appointment as a member of the Finance Commission subsequently.

**178.** **Certain restrictions to apply on subsequent employment of an expert member.–** A person who has remained an expert member of the Finance Commission shall not be eligible for appointment in the service of Pakistan or any statutory body or other body which is set up, or owned or controlled by the Government or a local government in the province, or in which the Government or a local government has a controlling share or interest or otherwise hold any office of profit in the Government unless a period of two years has elapsed since the date of relinquishment of his office as member.

**179.** **Oath of office of members of Finance Commission.–** Before entering upon office, every member of the Finance Commission shall make an oath in the form set out in the Tenth Schedule.

**180.** **General functions of the Finance Commission.–** (1). In addition to any other work assigned to it under this Act or any other law for the time being in force, the Finance Commission shall:

1. establish formulae for determining the size of provincial allocable amount and the share of individual local governments from this amount under section 183 of this Act;
2. oversee and report upon the transfer of share of local governments from provincial allocable in accordance with the formulae referred to in clause (a);
3. advice the Government or a local government on matters relating to financing, fiscal transfers to and fiscal performance of local governments;
4. advice the Government or a local government on specific matters, objections or claims in relation to fiscal transfers under Chapter XXII of this Act;
5. support local governments in effecting improvements in their fiscal capacity and fiscal performance, better budget management and increased adherence to financial and procurement laws;
6. fix upper and lower limits of such local tax, fee, rate, toll or other charge imposed under this Act as it considers appropriate; and
7. during the first month of each financial year, present to the Government and all local governments in the Punjab a report on fiscal performance of local governments during the previous financial year which shall, among other things, include a report on fiscal transfers made to the local governments and local government own resources.

(2). The Finance Commission shall not be subject to or take cognizance of the directions of any person as to the manner in which it shall discharge its duties.

(3). The Government shall, during the exercise of its powers under this Act, have regards to the recommendations, reports and advise of the Finance Commission in relation to the matters mentioned under subsection (1).

**181.** **Right of local governments to refer objections to Finance Commission.–** (1).Where a local government has any objection on the sums to be transferred or likely to be transferred to it or to any other local government from provincial allocable amount under this Act, that local government may make a reference to the Finance Commission.

* 1. Every reference under subsection (1) above shall made in writing and contain grounds of objection.
	2. The Finance Commission may, after due notice and inquiry, decide the reference.

**182.** **Procedure of Finance Commission.–** (1).The Finance Commission shall, subject to this Act and the rules, regulate its own procedure.

1. All decisions of the Finance Commission shall be made through a simple majority of votes of the members present and voting on one member one vote basis.
2. All meetings of the Finance Commission shall be public unless the members present, by a simple majority vote, decide to exclude public from the whole or part of the proceedings on the ground that public information of the proceedings of its meeting shall be prejudicial to public interest by reason of the confidential nature of business to be transacted at that meeting or for such other special reasons as may arise from the nature of business to be transacted or the proceedings at the meeting.
3. The Finance Commission shall exercise the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908 (V of 1908) with regards to summoning and enforcing the attendance of any person and compelling the production of documents and records for the purposes of this Act.

**183.** **Duty of local governments and other public entities etc. to cooperate with Finance Commission.–** (1). The Finance Commission may require the Government, a local government, an agency owned or managed by the Government or a local government, or any other person or authority in the Punjab to render assistance to it or to provide all information which it reasonably requires for the purposes of this Act.

1. It shall be the duty of the Government and all such local governments, public entities, or other persons and authorities to render assistance or to provide information as is required by the Finance Commission under sub-section (1).

**184.** **Secretariat of the Finance Commission.–** (1).The Finance Commission shall have a secretariat comprising such number of officers and staff as the Government may from time to time determine

1. There shall be a separate budget for the Finance Commission in the annual budget of the Punjab.
2. The secretariat of the Finance Commission shall be headed by the Secretary in charge of Finance Department who shall also be the Principal Accounting Officer of the Finance Commission.

**Chapter XXIII – Inter-governmental Fiscal Transfers**

**185.** **Provincial allocable amount and transfers to the local governments.–** (1).Before the commencement of each financial year, the Government shall set aside a portion of moneys likely to be received in the consolidated fund during that financial year to be called the provincial allocable amount.

(2). The provincial allocable amount shall be transferred to local governments in accordance with the provisions of section 186 of this Act.

**186.** **Process for determination of provincial allocable amount and share of individual local governments.–** (1).As soon as may be, but not later than six months of the commencement of this Act and at least six months prior to the commencement of every fifth financial year thereafter, the Finance Commission shall, having regards to the principles set out under sections 189 and 190 of this Act, make recommendation to the Government for establishing formulae for determining:-

1. the size of provincial allocable amount; and
2. the share of individual local governments from the provincial allocable amount.
3. Sufficiently before the commencement of each financial year, the Finance Commission shall make recommendation to the Government in respect of:
4. the value of provincial allocable amount for that financial year as per formula determined under clause (a) of subsection (1); and
5. the moneys to be transferred to each local government in the Punjab as per formula determined under clause (b) of subsection (1).
6. The Government shall, within twenty-one days of the receipt of a recommendation under subsection (1) or subsection (2) may:
	1. accept it; or
	2. refer it back to the Finance Commission if it considers that it is not in accordance with this Act or suffer from a factual error.
7. The Finance Commission shall, within fifteen days of the receipt of a reference under clause (b) of subsection (3), consider the views of the Government and resubmit its recommendation with or without any amendment.
8. As soon as may be after accepting a recommendation under clause (a) of subsection (3) or resubmission of a recommendation under subsection (4), the Government shall, having regards to the merits of the recommendation and the provisions of this Act, approve the aforesaid formulae with or without any amendment and where required also allocate provincial allocable amount and the share of individual local governments from the provincial allocable amount.
9. The formulae, provincial allocable amount and the shares of individual local governments from the provincial allocable amount approved by the Government and the related recommendation of the Finance Commission shall be tabled in the Provincial Assembly as part of the Finance Bill for the relevant financial year.

**187.** **Duty of Finance Commission to consider views of Government and local governments.–** In preparing a recommendation for the Government under section 183 of this Act, the Finance Commission may inform itself in the way it considers appropriate and shall also receive, consider and decide any submission made to it by the Government or a local government in this respect.

**188.** **Term of formulae on share of local governments and their revision.–** (1).After their approval by the Government, formulae referred to in section 183 of this Act shall remain in force for the following five financial years.

* 1. The Finance Commission shall, at least six months prior to the expiry of enforcement period of a formula referred to in subsection (1) above, make recommendation to the Government for establishing a fresh formula.
	2. In case the recommendation of the Finance Commission under subsection (2) is not approved by the Government before the expiry of aforesaid enforcement period, the last approved formula shall continue to remain in force till such time that a new formula is approved.

**189.** **Principles for determining provincial allocable amount.–** (1).The provincial allocable amount shall in no case constitute less than forty per-centum of the net receipts of the province in the relevant financial year.

* + 1. The final value of the provincial allocable amount shall be worked out on the basis of actual receipts of the government during a given financial year.

**190.** **Principles for determining transfers to individual local governments and related grants.–** (1).The share of a local government in the provincial allocable amount shall be worked out having regard to the following:-

1. fiscal needs of the local government that is moneys required by it to maintain minimum service standards in relation to the functions assigned to it under this Act;
2. equalization payments that is the moneys transferred to the local government to compensate for comparative poverty and backwardness of the local area;
3. fiscal capacity that is the potential of the local government to raise local taxes, toll, fees, rates and other charges under this Act;
4. fiscal effort that is the local government is compensated for collecting higher local taxes, toll, fees, rates and other charges as against the potential to raise them;
5. better expenditure management that is the local government is compensated for adherence to financial and procurement rules, bringing innovations and transparency in its working and achieving higher value for money; and
6. quality of public services that is the local government is compensated for maintaining higher quality of public services.

(2). Based on the above, provincial allocable amount shall be transferred to the local governments through any one or more of the following means, namely:-

1. General purpose transfers worked out on the basis of principle given at clause (a) of subsection (1) and transfers in lieu of Octroi, Zilla Tax or any other local tax, fee, rate, toll or any other charge which is withdrawn by the Government in agreement of transfer in lieu thereof with a local government after commencement of this Act;
2. Equalization transfers worked out on the basis of principles given at clause (b) and (c) of subsection (1); and
3. Performance grants worked out on the basis of principles given at clause (d), (e) and (f) of subsection (1).

**Chapter XXIV – Local Government Accounts and Audit**

**191.** **Accounts of local governments to be kept in the prescribed manner.–** Accounts of all receipts and expenditure of a local government shall be kept in the prescribed manner and form.

**192.** **Annual statement of accounts.–** (1).The Director Local Fund Audit shall, soon after the close of each financial year, prepare statement of accounts of all local governments in the Punjab for that financial year and submit it to the respective Chief Officer and the Government by such date as the Government may from time to time direct.

1. The Chief Officer shall submit a copy of the annual statement of accounts to the head and convenor for the consideration of the council at its next practicable meeting.
2. Among other things, every statement under subsection (1) shall include a complete description of the amounts of receipts and disbursements, respectively credited and debited to the local fund and the balance at the credit of the said fund at the close of the relevant financial year.

**193.** **Monthly abstract of accounts.–** (1).The Director Local Fund Audit shall,not later than a fortnight after the close of each calendar month, prepare an abstract of all receipts and payments, respectively credited and debited to the local fund, public fund or any other fund of all local government in the Punjab during that month and submit a copy thereof to the respective Chief Officer and the Government.

1. The Chief Officer shall submit a copy of the monthly abstract of accounts to the head and convenor for the consideration of the council at its next practicable meeting.

**194. Authority for audit of local government accounts.–** (1) The Auditor General of Pakistan shall, on the basis of such audits as he considers appropriate or necessary, certify the accounts of a local government for each financial year.

(2). The Director Local Fund Audit shall pre-audit all payments from the local fund of a local government in the prescribed manner and form.

**195.** **Extra-ordinary audits.–** The Government may, at any time, direct the Auditor General to carry out an extra-ordinary audit of the accounts one or more local governments, or of any aspect of those accounts, if he considers it appropriate to do so by the reason of information contained in an annual audit report, or a special audit report or for any other reason.

**196.** **Audit reports.–** (1).On completion of every audit of accounts of a local government under section 194 or 195 of this Act, the Auditor General shall prepare a report on every material impropriety, irregularity, loss, misappropriation, waste or misapplication of expenditure or on the recovery of moneys due to the local government which comes to his notice during the audit and submit it forthwith to the respective Chief Officer and the Government.

1. Nothing in this section shall prevent the Auditor General from preparing and submitting a report in the like manner before the completion of audit on any matter which comes to his notice during the course of audit and requires urgent attention.

**197.** **Consideration of audit report and duty to remedy defects.–** (1).On receipt of an audit report under section 196 of this Act, the Chief Officer shall forthwith submit it to the head and the convenor for consideration of the council at its next practicable meeting.

1. Every local government shall forthwith remedy any defect or irregularity pointed out in the audit report and forthwith submit a report on the action taken in this regard to the Government and the Auditor General.
2. In case a local government does not remedy any defect or irregularity within a reasonable period, the Government may pass such order as it may deem fit and may also fix a time period within which the local government shall remedy such defect or irregularity.
3. All cases of material impropriety, irregularity, loss, or misappropriation, waste or misapplication of expenditure or on the recovery of moneys pointed out in an audit report shall be considered and decided by the Public Accounts Committee or its sub-committees in the prescribed manner.

**198.** **Authority of Auditor General to inspect documents etc.–** (1). The Auditor General shall, during the course of audit of a local government under this Act, have the authority to:-

* 1. access and inspect all books, deeds, contracts, accounts, vouchers, receipts, maps, plans, documents, or other information, materials or things as he may reasonably require;
	2. enter and inspect, at all reasonable times, any building, land, premises or structure owned, used, managed or controlled by the local government; and
	3. examine, at all reasonable times and after due notice, the head, convenor or any councillor, the Chief Officer or any other officer or servant of the local government.
1. It shall be the duty of every head, convenor and councillor, Chief Officer and other officers and servants of the local government or any other person or authority in the Punjab to afford every facility and cooperation to the Auditor General including provision of complete information or records or any other assistance as he may reasonably instruct in relation to the audit of a local government.

**199.** **Punishment for obstruction etc. in the audit.–** (1).Any head, convenor, councillor, officer or servant of the local government or any other person or authority who obstructs or impedes or refuses to comply with an instruction of the Auditor General under section 195 of this Act shall be punished with imprisonment for a term which may extend to one month or with a fine which may extend to ten thousand rupees or both.

* 1. An offence under this section shall be non-cognizable within the meaning of section 2(l) of the Code of Criminal Procedure, 1898 (Act V of 1898).
	2. No court shall take cognizance of an offence under this section except upon a complaint in writing made by or under the authority of an officer authorized by the Government in this behalf.

**200.** **Statement of accounts and audit reports to be made public.–** (1).The Chief Officer shall display at a conspicuous place in the office of the local government and such other places and manner as the Government may from time to time direct, a copy of the annual statement of accounts and audit report of accounts of the local government for public inspection.

1. The Chief Officer shall also make available a book for the record of any objections or suggestions concerning the statement and report mentioned in subsection (1) and shall also make arrangements so that any councillor or a resident of the local area or other person interested in the matter may, at any reasonable time, record his objections or suggestions in that book.
2. The Chief Officer shall, at such intervals as the Government may from time to time direct, bring to the notice of the head, the convenor, Auditor General and the Government all objections or suggestions recorded in the book mentioned in subsection (3).

**201.** **Audit fees.–** (1).The Government may from time to time determine a scale of fee in respect of audit of accounts of local governments under this Act.

* 1. A local government shallpay to the Government such amount as fee for audit of its accounts in accordance with scale of fee determined under subsection (1) above.

**PART 5**

**ACCOUNTABILITY, OVERSIGHT AND RESPONSIVENESS**

**Chapter XXV – Internal Controls**

**202.** **Power of the council to remove a head.–** (1). A head shall stand removed from his office if the respective council, through a resolution passed by three-fourth majority of the councillors for the time being holding office, decide to remove him on the ground of misconduct within the meanings of section 217 of this Act or if, in their opinion, his removal appears to have become necessary for effective performance of the functions by the local government.

1. A council shall not proceed against the head unless a notice to propose a resolution under subsection (1) has been delivered upon the Government, the Chief Officer and the head.
2. Every notice of intention to propose a resolution under this section shall:
3. be signed by at least one-third of the councillors holding office;
4. contain a statement of reasons for the proposed removal; and
5. specify a day for the holding of a special meeting of the council to consider the proposed removal, being a day, which is not less than fifteen working days after the day on which the notice is delivered to the Chief Officer.
6. On receipt of notice under subsection (2), the Chief Officer shall forthwith send a copy of the same to every councillor and shall also display it at a conspicuous place in the office of the local government.
7. Subsequent to the receipt of the notice, the convenor shall convene a special meeting of the council on the date specified in it to consider the proposed removal.
8. In case the convenor does not take any steps to convene a special meeting by such day which is five days prior to the day specified under subsection (3), a notice for the convening of special meeting shall be issued by the Government.
9. The head who is proposed to be removed from office shall have a right to make a statement of response in relation to the proposal for removal before the council.
10. Without prejudice to any other provision of this Act, where a resolution for the removal of a head succeeds, the council shall dissolve immediately and fresh elections shall be called under section 91 of this Act.

**203. Certain limitations to apply in bringing a resolution for removal of a head of local government.–** No resolution for the removal of a head shall be proposed or approved by the council unless a period of twelve months has elapsed subsequent to the assumption of office by him or where a period of twelve months is remaining in completion of the term of the council in terms of section 112 of this Act.

**204.** **Oversight through committees of the council.–** (1).A council may constitute such committees as it deems appropriate to oversee and report upon the performance of local government in its various functions and ancillary matters.

1. Among other things, such committees shall report upon:
2. achievement of any targets set out by the head or the council;
3. degree of responsiveness of the local government to citizens needs; and
4. access to and quality of public services delivered by the local government.

(3). Upon consideration of report submitted by a committee, the council may, through a resolution passed with simple majority of votes of councillors present and voting, require the head to take such action as it considers appropriate to effect improvement or remedy a defect or irregularity.

(4). During its work, a monitoring committee shall not intrude or interfere in or control the work of any officer of the local government.

(5). A member of the monitoring committee involved in violation of any provision of subsection (4) shall be removed from the monitoring committee by the respective council.

**205.** **Internal inspections.–** (1).A head may, through a written order, require the Chief Officer to conduct inspections to examine and report upon the performance of the local government either personally or through such other officer of the local government as the head considers appropriate.

1. Nothing in subsection (1) shall be construed to curtail the authority of the head to inspect various offices and performance of the local government personally.

**206.**` **Internal inquiries.–** The head may, by an order in writing, require the Chief Officer to inquire into any matter concerning the local government either personally or through any other officer of the local government and submit a report along with the proceedings of the inquiry to him within such period as he may direct.

**Chapter XXVI –Continuous Supervision of Local Governments**

**207.** **Inspectorate of** **Local Governments.–** (1).The Government shall, as soon as may be but not later than six months of the commencement of this Act, establish Inspectorate of Local Governments, hereinafter called the Inspectorate, to inspect, monitor, review and report upon the performance of local governments in the Punjab.

1. The Inspectorate shall be headed by an Inspector General and consist of such Inspectors and other staff as the Government may from time to time determine.

**208.** **Yearly inspections.–** (1).The Inspector General shall, either personally or through an Inspector, comprehensively inspect all local governments in the Punjab at least once in every financial year and forthwith report the results of every such inspection to the Government and the Chief Officer of the local government so inspected.

1. Every report of the Inspector General under subsection (1) shall be made in such form and manner as may be prescribed and, among other things, include his assessment of the quality of public services provided by the local government against standards specified under section 29 of this Act.
2. Not more than sixty days after the close of each financial year, the Government shall lay a consolidated report of all inspections carried out during that financial year under subsection (1) before the Provincial Assembly.

**209.** **Special inspections.–** (1).Without any prejudice to the provisions of section 208 of this Act, the Government may, at any time, require the Inspector General or any of its other officers to make an inspection of any office, facility, equipment or store, service, work or any other thing controlled by or being undertaken by a local government and report the results of such inspection within such time and in such manner as directed.

1. Nothing in this Chapter shall be construed to prohibit the Inspector General in any manner from making an inspection of any office, facility, equipment or store, service, work or any other thing controlled by or being undertaken by the local government at any time, either personally or through an Inspector, where he deems it appropriate for the purpose of this Act.
2. The results of every inspection undertaken under subsection (2) shall be forthwith reported to the Government, and the Chief Officer of the local government inspected in such form and manner as may be prescribed.

**210.** **Powers of the person inspecting a local government.–** (1).For the purpose of making an inspection under this Chapter, the Inspector General, an Inspector or the officer of the Government referred to in section 209 of this Act may require the head, Chief Officer or any other officer of the local government:-

1. to call for and inspect or cause to be inspected files, registers, books or documents in the possession or under his control or the control of the relevant local government;
2. to require the production of such report, return, plan, estimate, statement, accounts, documents and copies of documents relating to the working of the local government as he may deem fit;
3. to attend the meetings of the local government and to take part in discussions and other proceedings without having a right to vote;
4. to enter, inspect and survey or cause to be entered or inspected and surveyed any property owned, managed or controlled by a local government or any facility maintained by or any work in progress under the directions of a local government; and
5. to inquire generally into the affairs of the local government.
6. For the aforesaid purpose, the Inspector General, Inspector or the officer of the Government referred to in section 206 of this Act may also inspect the condition of any part of the concerned local area.

**211.** **Local governments to take action on inspection report.–** (1). Immediately upon receipt of an inspection report under section 208 or 209 of this Act,the Chief Officer shall, submit a copy thereof to the head.

1. The head shall take such action on the inspection report as may be required.
2. Within thirty days of the receipt of an inspection report, a local government shall annotate the inspection report and forward it to the Government and the Inspector General or, as the case may be, the officer of the Government referred to in section 209 of this Act who may issue such further directions and advice to the local government as may be necessary.
3. In case of any dispute or difference of opinion between the local government and the Inspector General or the officer of the Government referred to in section 209 of this Act on a particular matter relating to the inspection report, any of them may refer the matter to the Government and the decision of the Government on that issue shall be final.

**Chapter XXVII – Responsiveness to Citizens Needs**

**212.** **Duties of local governments towards residents of local area.–** (1).Subject to the provisions of this Act, every local government shall be responsible to the residents for the due discharge of its functions.

1. A local government shall take every measure within its means to consult with and promote effective participation by the residents in its affairs.
2. The Government may, by an order published in the official gazette, determine duties of the local governments with respect to publication of information on their working, requirement of advance notices and holding of consultative hearing before making such decisions or undertaking such work as the Government considers appropriate.

**213.** **Requirement to consult residents in certain cases.–** Without any prejudice to the provisions of section 212 of this Act, a local government shall provide advance public notice and hold consultative hearing:-

1. in relation to the approval of estimate of receipts and expenditures under section 131 of this Act;
2. in relation to imposition of a new tax, toll, fees, rate or any other charge, or revision of an existing tax, toll, fees, rate or any other charge in the manner given under section 156 of this Act; and
3. for the drawing or adoption of a land use plan or revision of an existing land use plan under section 255 of this Act.

**214.** **Community initiatives.–** (1). Every local government shall allocate a portion of its funds, being not less than five per centum of the total expenditures to be incurred by it in a particular financial year on construction works, to support such activities which are proposed by the residents and implemented by them directly through a Neighbourhood Council in case of an urban local government and a Panchayat in case of a Tehsil Council.

1. In each financial year, sufficiently before the preparation of annual budget, every local government shall invite proposals for activities referred to in subsection (1) above by a fixed date and approve, in order of priority, such number of activities as it can support within the available allocated funds.
2. No activity shall be approved as aforesaid unless:
3. the activity, in view of the Chief Officer, relates to the functions assigned to the local government under this Act and is expected to benefit the residents at large by provisioning of a new work, amenity or facility or improvement of an existing work, amenity or facility;
4. the cost of the proposed activity is realistic and determined in the prescribed manner; and
5. the residents likely to benefit from the proposed activity have deposited not less than twenty per centum of its cost with the local government.
6. A local government may enter into agreement with the residents likely to benefit from the activity as regards the application of cost or arrangements for the maintenance and operation of amenities or facilities provided or improved through such activity.

**Chapter XXVIII – Transparency**

**215.** **General rules of conduct.–** (1).While performing any duty or exercising any power under this Act, it shall be the duty of every head, convenor, councillor, officer and servant of the local government to:

1. act honestly and in a fair and transparent manner;
2. exercise due care and diligence; and
3. not to make improper use of his office or information acquired by him because of his being in such office to gain or attempt to gain, directly or indirectly, an advantage for himself or for any other person; or cause or attempt to cause, any detriment to the local government;
4. A person who knowingly acts in contravention of the provisions of subsection (1) shall be guilty of an offence under section 287 of this Act and if he is a head, convenor or councillor, he shall, in addition to the punishment under aforesaid section, be disqualified and removed from his office under section 232 of this Act.

**216.** **Conflict of interest.–** (1).For the purpose of this Chapter, a head, convenor, councillor, officer or servant of the local government or any other person shall be deemed to have a conflict of interest in respect of a contract, proposed contract or any other matter to be discussed or decided by that local government, council or any of its committee or sub-committee, as the case may be, of which he is a member, if:-

1. he himself or any of his immediate relatives, or his employer or employee in relation to that contract, proposed contract or any other matter:-
2. would receive or have a reasonable expectation of receiving, a direct or indirect pecuniary or some other benefit, share or interest; or
3. would suffer or have a reasonable expectation of suffering, a direct or indirect pecuniary or some other detriment; or
4. could be reasonably perceived as receiving a direct or indirect pecuniary or some other benefit, share or interest or suffering a direct or indirect pecuniary or some other detriment; or
5. he has professionally acted in relation to that contract, proposed contract or any other matter on behalf of any person having therein such share or interest as aforesaid; or
6. he is of the opinion or could be reasonably perceived to have such opinion that the nature of his interest in the contract, proposed contract or other matter is such that it may conflict with the proper performance of his public duties in respect of that contract, proposed contract or other matter.
7. No person shall be deemed to have a conflict of interest in a contract, proposed contract or any other matter for the purposes of this section if his interest arises solely due to his being a voter, local resident or tax payer to the local government and is held in common with other voters, local residents and tax payers.

**217.** **Duty to abstain from proceedings in case of conflict of interest.–** (1). When any contract, proposed contract or any other matter is to be, or is likely to be considered or discussed at a meeting of a local government, council or any of its committee or sub-committee, the head, convenor, councillor, officer or servant of that local government or any other relevant person, who has a conflict of interest within the meaning of section 216 of this Act in respect of such contract, proposed contract or any other matter must:-

1. if he is present at the meeting, forthwith disclose the nature of his conflict of interest and leave the meeting after notifying the convenor or the person presiding the meeting or the chairperson of the committee or sub-committee, as the case may;
2. if he has a prior knowledge of the consideration or discussion as aforesaid, disclose the nature of his conflict of interest to the convenor or the chairperson of the committee or sub-committee as the case may be and abstain from the meeting.
3. A person who has a conflict of interest as defined under section 216 of this Act shall not preside over or take part, in any manner, in the considerations or discussion or, or to vote on any question with respect to the contract, proposed contract or any other matter in respect of which his conflict of interest exists.

**Explanation:** For the purpose of this section ‘gain’ shall mean to include any form of enrichment, benefit or advantage whatsoever which may have accrued to or been acquired by or which may accrue to or be acquired by the person or his immediate relatives, or an employer or employee.

**218.** **Register of interests.–** (1).Every Chief Officer shall maintain a register of interests in such form and manner as may be prescribed.

1. It shall be duty of every head, convenor, councillor, officer and servant of the local government who has a conflict of interest to submit returns on his conflict of interest to the Chief Officer for making entries in the register of interests at such intervals and in such form and manner as may be prescribed.
2. The Chief Officer shall, on a written application, allow a person to inspect the register of interests at the office of the local government during usual office hours.

**219.** **Code of Conduct for councillors, officers etc.–** (1).As soon as may be, but not later than six months of the commencement of this Act, the Government shall prescribe a Code of Conduct for the heads, convenors, councillors, officers and servants of the local government**.**

1. In addition to any other matter considered appropriate by the Government, the Code of Conduct shall address the following matters, namely:-
2. standards for ethical conduct of the head, convenor, councillors, officers and servants of the local government; and
3. procedures for resolution of disputes between the councillors.
4. The Chief Officer shall cause a copy of the Code of Conduct to be made available to the public for inspection at the office of the local government during usual office hours.

**220.** **Misconduct.–** For the purpose of this Act, a head, convenor, councillor, officer or servant of the local government or any other person shall be guilty of misconduct if he:

(a). violates any provision of code of conduct prescribed under section 219 of this Act;

(b). derelicts from duty or shows gross negligence in performance of duties with manifest wrongful intent;

(c). knowingly violates any provision of this Act or lawful directions or orders of the government;

(d). involves in an act that results in wrongful gain to himself or to any other person;

* 1. exercises powers or authority vested in him under this Act or any other law for the time being in force or fails to or refuses to exercise such powers or authority, for corrupt, unlawful or improper motives; and
	2. attempts at, or abets any act which constitutes misconduct under this section.

**221.** **Certain orders to be in writing or to be reduced to writing.–** (1). A head, convenor, committee or sub-committee of the council, and all officers and servants of the local government shall act through or under a written order, if:-

1. this Act or any other law for the time being in force requires that the act shall be done through a written order;
2. the act pertains to exercise of any authority under this Act or any other law for the time being in force;
3. the act is, in view of the head or the Chief Officer, of sufficient importance; and
4. it has been required as such by the Government for the purposes of this section.
5. A verbal instruction which in view of the officer or servant of the local government receiving it:
6. requires a written order in terms of subsection (1) above, shall be referred back by him to the authority giving such instruction for obtaining a written order;
7. is lawful and otherwise appropriate and requires an immediate action, shall be acted upon and thereafter reduced to writing and submitted by him to the authority giving such instruction for confirmation;
8. is unlawful or otherwise impropriate, shall forthwith be reduced in writing and submitted by him to the authority giving such instruction with the reasons for considering that instruction as such; or
9. is lawful and otherwise appropriate and does not require an immediate action, shall be reduced in writing and submitted by him to the authority giving such instruction for approval before acting upon.

**222.** **All orders of local government to be open to inspection.–** (1).The Chief Officer shall maintain a register of all orders made by the head, convenor, council or any of its committee or sub-committee, an officer or servant of the local government in such form and manner as may be prescribed.

1. The Chief Officer shall cause the register mentioned in subsection (1) to be available for public inspection at the office of the local government during usual office hours and shall, in addition, also cause it to be available for inspection by any councillor throughout the duration of every meeting of the council.

**Chapter XXIX – Oversight by the Government**

**223.** **Supervision of local governments.–** The Government shall, in the prescribed manner, exercise supervision and general control over the local governments to ensure that they always act in the public interest and perform their functions strictly in accordance with the provisions of this Act and all other relevant laws for the time being in force.

**224.** **Calling in question the legality of an order etc. of local government.–** (1). Any of the following persons may, through a complaint in writing, call into question the legality of any resolution, bye-law, decision or order of a local government, namely:-

1. the head of that local government;
2. the Chief Officer of that local government or any other officer or servant of that local government to whom such order is directed;
3. a resident of the relevant local area or any other person affected by that act or order; and
4. any officer nominated for this purpose by the Government.

(2). Every complaint under this section may be made to the Government.

**225.** **Right of certain government officers to attend local government meetings etc.–** The Minister, Secretary or any other officer authorized by the Government in this behalf shall have the right to attend, speak in and otherwise take part in the proceedings of every meeting of a local government or a council or any committee or sub-committee of the council, but shall not be entitled to vote at any such meeting.

**226.** **Power to call for information.–** (1).The Government may, through a general or specific order, require a Chief Officer to provide to it by such time or at such intervals as is specified in the order:

1. any record pertaining to the proceedings of the council, a committee or sub-committee of the council or any other meeting of the local government;
2. a resolution of the council or any record pertaining to such resolution;
3. a bye-law promulgated by the local government or any record pertaining to such bye-law;
4. an order or instruction of the head, convenor, councillor, or any officer or servant of the local government and record pertaining to such order or instruction;
5. a document, return, statement, estimate, statistics or other information regarding any matter pertaining to or under the control of the local government;
6. a report on any matter pertaining to or under the control of a local government; and
7. a copy of a document in his charge or under the control of a local government.
8. It shall be duty of the head, convenor, every councillor, officer and servant of the local government to provide such information, documents and record to the Chief Officer as he may require and otherwise assist him for the purposes of this section.

**227.** **Power of the Government to inquire into complaints.–** (1).The Government may, on receipt of a complaint or otherwise, cause an enquiry to be made by the Inspector General or such other officer as it deems appropriate, into the affairs of a local government generally or into any particular matter concerning the local government and submit findings within such time as it may direct, and subject to directions, take such remedial measures as may be warranted by the findings of such inquiry.

* 1. A person appointed for an inquiry under subsection (1) shall, for the purpose of inquiry, have the powers of a Court under the Code of Civil Procedure, 1908 (Act V of 1908) to take evidence and to compel the attendance of witnesses and the production of documents.
	2. A person appointed for an inquiry under subsection (1) may, while concluding the inquiry, also make an order in respect of the cost of inquiry and whether it shall be paid by the local government or the person on whose complaint the inquiry was conducted.
	3. Any amount payable by the complainant under subsection (3) shall be recoverable as arrear of land revenue.

**228.** **Power of the** **Government to suspend certain resolutions or orders and prohibit certain actions of local government.–** (1). The Government may, by a written order, suspend a resolution or order of a local government or prohibit doing of anything or any act which is intended to be done or being done by or on behalf of a local government, if in the opinion of the Government such resolution or order or the doing of such act or thing:-

* 1. is not in conformity with this Act or with the rules or by-laws made thereunder or any other law for the time being in force;
	2. is prejudicial to the public interest;
	3. is likely to cause waste or damage of local fund, public fund or any other fund of the local government; or
	4. is likely to lead to a breach of peace or to cause injury or annoyance to the public or any class or body of person.
1. A copy of every order under subsection (1) shall be sent to the respective head who shall consider the matter afresh.
2. The local government shall, after taking the matter into consideration, pass a resolution and send a copy thereof together with a copy of the proceedings relating to that resolution to the Government.
3. The Government may, after having considered the resolution passed by the local government under subsection (3) and the proceedings related to that resolution, either cancel, modify or confirm the order passed by it under subsection (1) or take such other action in respect of the matter as may, in its opinion, be just or expedient having regards to the circumstances of the case.

(5). Any resolution or order passed by a local government or any act or thing done or intended to be done by a local government which is revoked or prohibited by the Government shall cease to have effect from the date of such revocation or prohibition.

(6). Any resolution or order passed by a local government or any act or thing doing of which is suspended by the Government under this Act shall not have effect till such time it remains suspended.

**229.** **Power of the Government to require a local government to take action.–** (1).The Government shall require a local government to take one or more actions given at subsection (2) below if, on the basis of any inspection under section 208 or 209 of this Act or any information received under section 223 of this Act, or of any findings of an inquiry under section 227 of this Act, or otherwise, it considers that:-

1. any duty imposed or function assigned to the local government by or under this Act or by or under any other law for the time being in force has not been undertaken or has been undertaken in an imperfect, inefficient or unsuitable manner;
2. the local government has failed to comply with any directions issued by the Government under this Act or any other law for the time being in force or to take such measures in any matter as appear to the Government to be required by the circumstances of the case or;
3. the local government has consistently failed, or has proven inefficient or otherwise incompetent to collect a tax, toll, fees, rate or any other charge or money receivable by it under this Act; or
4. the local government has failed, or has proven inefficient or otherwise incompetent to administer or apply any of its funds or properties in the best interest of the residents;

(2). Where it considers that one or more circumstance as mentioned in subsection (1) exist, the Government shall, by a written order, direct the head to show cause within such period as may be specified in the order, and:-

1. make arrangements to the satisfaction of the Government for proper discharge of duties or functions referred to in clause (a) above;
2. comply with the directions or to take measures referred to in clause (b) of subsection (1); or
3. take such measures or make such arrangements as may be specified by the Government in any matter referred to in clauses (c) and (d) of subsection (1).

**230.** **Procedure where head fails to show cause or to take action on directions of the Government.–** (1).If within the period specified in an order under section 229 of this Act, any measure or arrangement directed thereunder has not been duly taken or made, or cause has not been shown as aforesaid, the Government may, by a written order:-

1. withhold transfer of all moneys or such portion of moneys receivable by that local government from the provincial allocable amount as it deems appropriate till such time as the measures or arrangements directed are duly taken or made; or
2. impose a fine on the local government not exceeding two per centum of the moneys receivable by the local government from the provincial allocable amount during the relevant financial year;
3. The Government may, in addition to imposing any sanction on the local government under subsection (1) above, also proceed to remove the head, convenor or a councillor, as the case may be, from office for not duly undertaking any measure or not making arrangement as aforesaid despite directions under section 229 of this Act.

**231**. **Power of the Government to take action on its own.–** (1).Where, in view of the circumstances of the local government or the immediate nature of the arrangement or measure, Government is of the opinion that the arrangements or measures mentioned in section 229 of this Act shall be made or taken by the Government itself, it may, by an order, direct the head to show cause against making of such arrangements or taking of such measures by the Government within a specified period.

1. Where the head fails to show cause within the period specified under subsection (1) or the cause shown by him, in the opinion of the Government, is unsatisfactory, the Government may by an order appoint one or more of its officers to take the action so directed.
2. An officer appointed under subsection (2) may for the purpose of taking the action directed, exercise all powers and authority conferred upon the local government or an officer of the local government by or under this Act which are specified in that behalf in the order issued under subsection (2).
3. The powers and authority of the officer referred to in subsection (2) shall supersede the powers and authority of the local government, council or an officer of the local government to such extent as may be necessary for taking the directed action.

**232.** **Power of the Government to suspend or remove of a head, convenor or councillor.–** (1).Where, in view of the appertaining circumstances, the Government is of the opinion that a head, convenor or councillor is involved in one or more derelictions as listed in the Eleventh Schedule, the Government shall through an order direct him to show cause within a specified period as to why proceedings for his removal from office, shall not be initiated.

(2). Where the head, convenor or, as the case may be, councillor referred to in subsection (1) fails to show cause within the specified period or the cause shown by him is, in the opinion of the Government, unsatisfactory, the Government may make a reference to the Commission to inquire as to whether he is guilty of such dereliction or derelictions and recommend as to whether he shall be removed from office on that account.

 (3). Where, as a result of an inquiry under subsection (2) above, the Commission arrives at that the head, convenor or, as the case may be, councillor shall be removed from office, the Government shall, by an order published in the official gazette, remove the councillor.

(4). Notwithstanding the provisions of subsection (2) above, where a head, convenor or councillor is involved in a dereliction relating to corruption or a corrupt practice, or gross excess in use of his authority, or conviction in a crime involving moral turpitude, and fails to show cause within the specified period or the cause shown by him under subsection (1) above is, in the opinion of the Government, unsatisfactory, the Government may suspend him forthwith without waiting for an inquiry by the Commission.

(5). The Government shall forthwith reinstate a head, convenor, or councillor suspended under subsection (4) above if he is found to have not been involved in a dereliction after an inquiry under subsection (2) above.

**233.** **Suspension or dissolution of a local government by Government.–** (1).Without any prejudice to other provisions of this Act, where, in view of the appertaining circumstances, the Government is of the opinion that for one or more reasons listed at the Twelfth Schedule, a council may be suspended, the Government shall, through an order direct the head of the respective local government to show cause within a specified period as to why proceedings for suspension of the local government shall not be initiated.

(2). Where the head fails to show cause within the specified period or the cause shown by him is, in the opinion of the Government, unsatisfactory, the Government may make a reference to the Commission for an inquiry as to whether such reason or reasons exist and the council shall be suspended.

 (3). Where, as a result of an inquiry under subsection (2) above, the Commission arrives at that the council shall be suspended, the Government shall, by an order published in the official gazette, suspend that council for a specified period, which shall in no circumstances exceed one calendar year.

(4). In the like manner, where, the council referred to in subsection (1) was previously suspended under subsection (3) and at least one reason for such suspension is the reason or one of the many reasons for a fresh action under this section, the Government may make a reference to the Commission for an inquiry as to whether such reason or reasons exist and the council shall be dissolved.

(5). Where, as a result of an inquiry under subsection (4) above, the Commission arrives at that a council shall be dissolved, the Government shall, by an order published in the official gazette, dissolve that council.

**234. Effect of suspension or dissolution of a council.–** (1). Without any prejudice to other provisions of this Act, consequent to an order under subsection (5) of section 230 of this Act:-

1. the head, convenor and all councillors of the suspended or dissolved council shall cease to hold office forthwith;
2. all powers, duties and functions of the local government shall be exercised and performed by such of its officer or authority as the Government may appoint in this behalf; and
3. all funds and properties vested in the local government shall, vest in the officer or authority referred to in clause (b) above as a trust for the purpose of this Act.

(2). Without any prejudice to other provisions of this Act, consequent to an order under subsection (3) of section 233 of this Act:-

1. all councillors, including the head and the convenor, shall stand suspended forthwith;
2. all powers, duties and functions of the local government shall, during the period of suspension, be exercised and performed by such of its officer or authority as the government may appoint in this behalf; and
3. all funds and properties vested in the local government shall, during the period of suspension, vest in the officer or authority referred to in clause (b) above as a trust for the purpose of this Act.

(3). Where, at the time of dissolution, the remaining term in office of the council is in excess of one hundred and twenty days, the Government shall immediately order fresh elections in the respective local area, and if, at the time of such dissolution, the remaining term in office of the council is less than one hundred and twenty days, the officer or authority referred to in clause (b) of subsection (2) above shall continue to exercise powers and perform duties and functions of the local government and its funds and properties shall continue to vest in him till an elected council resumes office.

**235.** **Reinstatement of suspended councillor and local government.–** (1).The Government shall forthwith reinstate a councillor suspended under subsection (4) of section 229 of this Act if he is found to have not been involved in a dereliction after an inquiry under subsection (2) of section 232 of this Act.

(2).A local government shall stand reinstated into office immediately after the expiry of period of suspension specified under subsection (4) of section 229 of this Act.

**236.** **Bar of suits and impact of suspension of resolution etc.–** Without any prejudice to the provisions of section 308 of this Act, no suit or other legal proceedings shall lie against the Government or any of its officer or authority, or any other person for any loss or damage of any kind caused by:

1. suspension, revocation or modification of a resolution of the council or order of a local government;
2. prohibition by the Government of doing of anything or any act by a local government or any person on its behalf;
3. suspension or removal from office of a councillor; and
4. suspension or dissolution of any council.

**PART 6**

**COORDINATION AND CONFLICT MANAGEMENT**

**Chapter XXX – Local Government Commission**

**237.** **Establishment of Local Government Commission.–** As soon as may be, but not later than six months after the commencement of this Act, the Government shall appoint Local Government Commission, hereinafter referred to as the Commission, to perform such functions as are conferred upon it by or under this Act.

**238.** **Chairperson and members of the Commission.–** (1).The Commission shall comprise of nine members including the Chairperson as under:

1. The Minister in charge of Local Government Department, who shall also be the Chairperson of the Commission;
2. Two members of the Provincial Assembly, one each appointed by the leader of the house and leader of the opposition in the Punjab;
3. The Secretary in charge of Local Government Department, who shall also be the Secretary of the Commission;
4. The Secretary in charge of Law and Parliamentary Affairs Department;
5. Four expert members, including one woman, appointed in terms of section 238 of this Act.
	1. In the case of absence of the Minister for any reason, the members shall elect one of the members present at the meeting to be the Chairperson for the duration of his absence.
	2. The Commission may co-opt any other person for advice in relation to a particular matter under its consideration; however, the co-opted members shall have no right of vote.
	3. No proceedings or act of the Commission shall be invalid merely on the ground of existence of a vacancy or defect in composition of the Commission.
	4. The members of the Commission shall be paid such remuneration as the Government may, from time to time, determine and the remuneration of a member shall not be varied to his disadvantage during his term in office.

**239.** **Term of office and premature removal of certain members.–** (1).The Minister and Secretaries referred to in section 238 shall hold office on ex-officio basis.

(2). A member of the Commission, not being the Minister or a Secretary referred to in section 235 of this Act shall hold office for five years and may, at any time, resign from office under his hand

(3). The Government may, after due notice and inquiry, remove any member of the Commission, not being the Minister or a Secretary referred to in section 235 of this Act, during the tenure of his office on the grounds of inefficiency, misconduct, misuse of office or inability to perform functions due to bad health or physical or mental incapacity.

(4). A person, not being the Minister or a Secretary referred to in section 235 of this Act, shall not be eligible for appointment as a member of the Commission if he has previously been removed from his office under subsection (3).

**240.** **Casual vacancies.–** (1)Where the position of a member, not being the Minister or a Secretary to the Government of the Punjab, becomes vacant on account of his resignation, removal, death or for any other cause, the Government shall appoint a person to fill this vacancy in the same manner as was applicable for the selection of that member.

(2). A person appointed under subsection (1) shall hold office for the remainder of the term of office of the member whom he replaces.

**241.** **Eligibility for appointment of expert members.–** (1).A person shall be eligible for appointment as an expert memberunder section 238 of this Act, only if:

1. he holds at least sixteen years education in a discipline related to one or more functions of the Commission, possesses special knowledge of local government and their work with at least twenty-year experience in public administration, dispensation of justice, community development or any other related affair;
2. he is, for the time being, qualified to be a candidate for an election under section 109 of this Act;
3. he is not in the service of Pakistan or any office or body which is set up, or owned or controlled by the Government, or a local government in the Punjab, or in which the Government or a local government has a controlling share or interest or otherwise holds any office of profit in the Government;
4. he is not a member of a political party or holds any office of a political party or is in the employment of a political party or on the date of his consideration for appointment at least five years have not lapsed since he ceased to be such member, or holder of such office or in such employment.

(2). A person who has previously remained as an expert member shall be eligible for re-appointment as a member of the Commission.

**242.** **Certain restrictions to apply on subsequent employment of an expert member.–** A person who has remained as a member of the Commission as an expert member under section 235 of this Act shall not be eligible for appointment in the service of Pakistan or any statutory body or other body which is set up, or owned or controlled by the Government or a local government in the Punjab, or in which the Government or a local government has a controlling share or interest or otherwise hold any office of profit in the Government unless a period of two years has elapsed since the date of relinquishment of his office as member.

**243.** **Oath of office of members of the Commission.–** Before entering upon office, every member of the Commission shall make an oath in the form set out in the Thirteenth Schedule.

**244.** **Functions of the Commission and duty of the government to have regards to their reports.–** (1). Without any prejudice to other provision of this Act, the Commission shall carry out following functions, namely:-

1. review and alteration of boundaries of local areas under sections 11 and 12 of this Act;
2. resolution of disputes between one or more local governments or between one or more local governments and the Government;
3. enquiries into any matter referred to it by the Government, or such other matters concerning a local government as are required under this Act or considered important by the Commission;
4. coordination on key issues referred to it by the Government; and
5. advise the Government on general aspects concerning local governments and on any particular aspect concerning one or more local governments, if so requested by the Government, the head or the Chief Officer; and
6. submission of an annual report on various aspects of the performance of local governments in the Punjab in such form as agreed with the Government.
7. The Government shall, during the exercise of its powers under this Act, have regards to the reports of the Commission submitted in relation to the matters mentioned under subsection (1).

**245.** **Certain powers of a court to vest upon the Commission.–** Th commission shall, for the purpose summoning and enforcing attendance of persons and examining them on oath, compelling the production of documents, receiving evidence on affidavits and appointment of commissions for record of evidence under this Act, have all the powers of a civil court trying a suit under the Code of Civil Procedure, 1908 (Act V of 1908) and shall be deemed to be a Court within the meaning of sections 480 and 482 of the Code of Criminal Procedure, 1898 (Act V of 1898).

**246.** **Procedure of the Commission.–** (1).The Commission shall, subject to this Act and the rules, regulate its own procedure.

1. All decisions of the Commission shall be made through a simple majority vote of the members present and voting.
2. All meetings of the Commission shall be open to public, unless the members s present thereat consider that public information of the proceedings of the meeting shall be prejudicial to public interest by reason of confidential nature of business to be transacted at the meeting.

**247.** **Duty of the Government, local governments etc. to cooperate with the Commission.–** (1). The Commission may require the Government, a local government, or any person, office or authority in the Punjab to render such assistance or to make available such information or records which it reasonably requires for the purposes of this Act.

1. It shall be the duty of the Government, every local government, person, office or authority in the Punjab to render assistance or to make available such information or record as is required by the Commission under sub-section (1).

**248.** **Secretariat of the Commission.–** (1). The Commission shall have a secretariat comprising such number of officers and staff as the Government may from time to time determine.

(2). There shall be a separate budget for the Commission in the annual budget of the Punjab.

(3). The secretariat of the Commission shall be headed by the Secretary who shall also be the Principal Accounting Officer of the Commission.

**Chapter XXXI – Coordination and Dispute Management**

**249.** **Inter-agency coordination.–** (1).A Deputy Commissioner shall, in relation to the district under his charge:-

1. coordinate the work of all local governments as well as such work of one or more local government which relates to or impinges upon the work of one or more provincial or federal agencies in the district;
2. prioritize works of similar nature being undertaken by the Government or one or more local governments in the district; and
3. take measures to prevent disputes among local government in the district.
4. For the purpose of this section, the Deputy Commissioner may, in addition to any other authority conferred upon him under this Act or any other law for the time being in force, issue such directions to a local government as he considers appropriate.
5. Every local government shall generally assist and cooperate with the Deputy Commissioner and obey direction issued under subsection (2).
6. Where a direction of the Deputy Commissioner under subsection (2) is, in the opinion of the head, unfair or unreasonable, he may make a reference to the Government.
7. The Government may, after having considered the reference and the related circumstances, either cancel, modify or confirm the direction of the Deputy Commissioner or take such other action in respect of the matter as may, in the opinion of the Government, be just or expedient having regards to the circumstances of the case.

**250.** **Resolution of disputes.–** (1).A head may make a reference to the Deputy Commissioner of the respective district to take cognizance of and redress a dispute or grievance which exists between that local government and one or more other local governments or one or more provincial or federal agencies working in the district.

(2). The Deputy Commissioner may, after due notice and without unnecessary delay, decide the reference received under subsection (1).

(3). Where a local government or provincial or federal agency is not satisfied with the decision of the Deputy Commissioner, that local government or agency shall make a reference to the Government.

(4). The Government may, after due notice and inquiry, decide the reference without unnecessary delay and such decision shall be final to that extent.

**Chapter XXXII – Planning, Development and Land Use**

**251. Local development plan.–** (1).Within six months of the assumption of office, every head shall prepare a plan for the development of respective local area in relation to the functions of the local government under this Act during the next five years, to be called the local development plan.

1. A local development plan shall be prepared in such form and manner as the Government may by an order specify and, among other things, include:
2. objectives of the local government with respect to development of local area;
3. strategies for achievement of these objectives and indicators for monitoring such achievement; and
4. resource plan describing financial and other resources required for the attainment of stated objectives and how such resources will become available to the local government.
5. In the like manner, sufficiently before the commencement of a financial year, every head shall prepare a draft plan of construction or other works and activities by or on behalf of the local government to be carried out during that financial year, called the draft annual development plan.
6. Every draft annual development plan prepared under subsection (3) shall be aligned to and contribute towards the objectives of the local development plan.

**252.** **Initiation of proposals for new works etc.–** (1). For the purpose of drawing up an annual development plan, the head shall call for proposals for carrying out of construction or other works by or on behalf of a local government.

(2). A proposal under subsection (1) may be initiated by any one or more of the following, namely:-

1. a councillor;
2. the convenor;
3. the Chief Officer;
4. the council through a resolution;
5. a resident of the local area;
6. a Panchayat or Neighbourhood Council located in the relevant local area; and
7. by or under the authority of the Government.

(3). Every proposal under subsection (1) shall be drawn in the prescribed form and made to the Chief Officer of the relevant local government by such dates as may be specified by the head.

(4). The provisions of this section shall not apply to any construction or other work or activity by or on behalf of a local government for the maintenance, repair or renewing of any of its existing facility or amenity, the value of which does not exceed such amounts as the Government may, from time to time, specify.

**253.** **Approval of annual development plan.–** (1). The head shall present the draft annual development plan before the council at a public meeting.

(2). The council may, with a simple majority of vote of all councillors holding office:

(a). revise the draft annual development plan; or

1. approve the draft annual development plan.

(3). Where in the view of the head, revision of the draft annual development plan by council is not in accordance with the provisions of this Act or is otherwise inappropriate, he may, again present the draft annual development plan, with or without any revision, before the council.

(4). The council may, at a public meeting, consider the draft annual development plan presented before it under subsection (3) and:

(a). approve it with a simple majority of vote of all councillors holding office; or

(b). revise or reject it with a two-third majority of vote of all councillors holding office.

**254.** **Government to certify annual development plan if not approved by a local government.–** (1). In case where annual development plan of a local government is not approved under section 253 of this Act within thirty days of the commencement of the financial year to which it pertains, the Government may, after due notice to the relevant head and having regards to the needs of that local area, cause such annual development plan to be prepared on its own and may also certify it.

1. The annual development plan certified under subsection (1) shall be deemed to be the approved annual development plan of the local government for that financial year.

**255.** **Evaluation and approval of proposals for new works etc.–** (1). No construction or other work or activity by on behalf of a local government shall be undertaken unless it is included in the annual development plan and approved by the Local Planning Board of the relevant district constituted under section 257 of this Act.

1. No construction or other work or activity shall be approved by the Local Planning Board unless it satisfies the relevant planning guideline specified under section 252 of this Act.

**256.** **Planning guidelines.–** (1).As soon as may be, but not later than six months of the commencement of this Act, the Government shall by an order notified in the official gazette, specify planning guidelines for approval of construction or other works or activity by or on behalf of local government.

1. Every planning guideline shall, among other things:
2. set out the value, size or type of work which may be undertaken by various local governments;
3. set out criteria to be applied for deciding actual need for a particular work on the basis of its sustainability, cost-effectiveness and likely economic and social returns;
4. identify one or more undertakers as appropriate persons to carry out a specified description of work; and
5. set out circumstances in which it is appropriate for a specified type of action to be taken to mitigate the impact of a specified description of work.
6. Every order under subsection (1) shall remain applicable for three financial years following the date of its commencement unless it is otherwise amended or replaced by the Government.

**257.** **Local Planning Board.–** (1).As soon as may be but not later than six months after the commencement of this Act, the Government shall establisha Local Planning Board for each district in the Punjab.

* 1. A Local Planning Board shall comprise of not less than five members including the Chief Officer of the relevant local government and at least one qualified engineer having appropriate experience in planning and undertaking construction or other work of the particular description under consideration.
	2. All decisions of the Local Planning Board shall be taken by majority vote of the members present and voting on basis of one member one vote.
	3. The Local Planning Board may co-opt any other person for advice in relation to a particular matter under its consideration; however, the co-opted members shall have no right of vote.
	4. No proceedings or act of the Local Planning Board shall be invalid merely on the ground of existence of a vacancy or defect in its composition.

**258.** **Duty of every local government to maintain public service infrastructure maps.–** It shall be the duty of every local government to prepare and maintain detailed maps of the infrastructure relating to public services provided by it under this Act and from time to time modify and update such maps.

**259.** **Land use planning and land use permissions.–** (1).Each local government shall, within such period as may be specified by the Government, draw or cause to be drawn a land use plan indicating actual land use and the proposed land use.

(2). Every land use plan shall:

1. clearly identify the extent of existing planned areas;
2. designate the remaining areas as non-planned areas; and
3. identify the land use in both planned and non-planned areas.

(3). A land use plan shall be approved in the manner provided under the relevant planning law and in the absence of such law, in the prescribed manner.

(4). No land use permissions shall be granted unless such land use is in conformity with the land use plan for the time being in force for that area.

**260.** **Local development and land-use plans to abide by relevant provincial and regional planning considerations.–** Local development and land-use plan of every local government shall take note of relevant provincial and regional planning considerations and shall work to ensure that relevant policies of the provincial government and other agencies having lawful authority in the matter are observed and fulfilled.

**PART 7**

**REGULATION AND ENFORCEMENT**

**Chapter XXXIII – Offences Relating to Local Government Elections**

**261. Prohibition to give, offer or promise illegal gratification.–** (1).No person shall directly or indirectly, by himself or by any other person on his behalf receives, agrees to or contracts for; or give, offer or promise any gratification to:

(a). cast a vote or refrain from casting a vote; or

(b). refrain from being a candidate at, or to withdraw or retire from an election.

(2). A person who violates the provisions of clause (a) of subsection (1) shall, on conviction, be punished with an imprisonment for a term not exceeding three years, or with fine not exceeding fifty thousand rupees, or with both.

(3). A person who violates the provisions of clause (b) of subsection (1) shall, on conviction, be punished with imprisonment for a term not exceeding seven years, or with fine which shall not exceeding five hundred thousand, or with both.

**262. Prohibition to impersonate as a voter.–** (1).No person shall vote or apply for a ballot paper for voting as some other person whether that other person is living or dead or fictitious.

(2). A person who violates the provisions of subsection (1) shall, on conviction, be punished with imprisonment for a term not exceeding three years, or with fine not exceeding fifty thousand rupees, or with both.

**263.** **Prohibition to unduly influence outcome of election.–** (1). No person shall, in order to compel any person to vote, or refrain from voting, or to induce or compel any person to withdraw his candidature at an election, directly or indirectly, by himself or by any other person on his behalf:-

1. make or threaten to make use of any force, violence or restraint; or inflicts or threatens to inflict any injury, damage, harm or loss; or
2. use any official influence or Governmental patronage; or
3. abduct, or put under physical duress; or
4. use any fraudulent device or contrivance to impede or prevent free exercise of the franchise by a voter; or
5. compel, induce or prevails upon any voter to refrain from voting or compel any voter to vote.

(2). A person who contravenes any provision of clause (a), (b), (d) or (e) of subsection (1) shall, on conviction, be punished with imprisonment for a term not exceeding three years, or with fine not exceeding three hundred thousand rupees, or with both.

(3). A person who contravenes any provision of clause (c) of subsection (1) shall, on conviction, be punished with imprisonment for a term not exceeding five years, or with fine not exceeding five hundred thousand rupees, or with both.

**264.** **Prohibition of certain unwarranted practices.–** (1).No person shall, in relation to an election under this Act:-

1. obtain or procure, or attempt to obtain or procure, the assistance of any officer or official of the Federal Government, the Government or a local government or authority to further or hinder the election of a candidate;
2. vote or apply for a ballot paper for voting at an election knowing that he is not qualified for voting or is disqualified from voting.;
3. vote or apply for a ballot paper for voting more than once at any polling station;
4. remove a ballot paper or a ballot box from a polling station or destroy, damage or tamper with the ballot-box used at a polling station;
5. knowingly induce or procure any person to do any of the aforesaid acts;
6. withhold statement of election expenses as required under this Act;
7. make or publish a false statement:-
	* + 1. concerning personal character of a candidate or any of his relations calculated to adversely affect the election of such candidate; or
			2. for the purpose of promoting or procuring election of another candidate;
			3. relating to the symbol of a candidate whether or not such symbol has been allocated to such candidate; or
			4. regarding the withdrawal of a candidate;
8. knowingly, in order to support or oppose a candidate, let, lend, employ, hire, borrow or use any vehicle or vessel for the purpose of conveying voters to or from the polling station, except when a person conveys himself or any member of the household to which he belongs, to or from the polling station;

(2). A person who contravenes any provision of clause (a), (d) or (e) of subsection (1) shall, on conviction, be punished with imprisonment for a term not exceeding five years, or with fine not exceeding five hundred thousand rupees, or with both.

(3). A person who contravenes the provision of clause (f) of subsection (1) shall, on conviction, be punished with imprisonment for a term not exceeding two years, or with fine which not exceeding three hundred thousand rupees, or with both.

(4). A person who contravenes the provision of clause (g) of subsection (1) shall, on conviction, be punished with fine not exceeding three hundred thousand rupees.

(5). A person who contravenes any provision of subsection (1) not mentioned in subsection (2), (3) or (4) shall, on conviction, be punished with fine which not exceeding five thousand rupees.

**265.** **Canvassing on a polling day prohibited**.**–** (1). No person shall, on the polling day, in relation to an election under this Act:-

1. convene, call or organise any meeting;
2. within a radius of two hundred meters of the polling station canvass for votes, or solicit vote of any voter, or persuade any voter not to vote at the election or for a particular candidate; or
3. exhibit, except with the permission of the authorized electoral officer and at a place reserved for the candidate or his polling agent beyond the radius of one hundred meters of the polling station, any notice, sign, banner or flag designed to encourage the voters to vote, or discourage the voters from voting, for any contesting candidate.

(2). A person who contravenes any provision of subsection (1) shall, on conviction, be punished with fine not exceeding two hundred thousand rupees.

**266. Disorderly conduct near polling station**.**–** (1). No person shall, in relation to an election under this Act:-

1. use, in such manner as to be audible within a polling station any gramophone, megaphone, loudspeaker or other apparatus for reproducing or amplifying sounds; or
2. persistently shout in such manner as to be audible within the polling station; or
3. do any act which disturbs or causes annoyance to any voter visiting a polling station for the purpose of voting, or interferes with the performance of the duty of an electoral officer or any other person performing any duty at a polling station; or
4. abet the doing of any of the aforesaid acts.

(2). A person who contravenes any provision of subsection (1) shall, on conviction, be punished with imprisonment for a term not exceeding three months, or with fine not exceeding three thousand rupees, or with both.

**267.** **Prohibition on tampering with ballot paper etc**.**–** (1). No person shall, in relation to an election under this Act:-

1. fraudulently deface or destroy any nomination paper or ballot paper;
2. fraudulently take out of the polling station any ballot paper or puts into any ballot box any ballot paper other than the ballot paper he is authorized under the rules to put in;
3. without due authority:-
	1. supply any ballot paper to any person;
	2. destroy, take, open or otherwise interfere with any ballot box or packet or ballot papers in use for the purpose of election; or
	3. break any seal affixed in accordance with the provisions of the rules;
4. cause any delay or interruption in the beginning, conduct or completion of the procedure required to be immediately carried out on the close of the poll; or
5. fraudulently or without due authority attempt to do any of the aforesaid acts.

(2). A person who contravenes any provision of subsection (1) shall, on conviction, be punished with imprisonment for a term not exceeding six months, or with fine not exceeding one hundred thousand rupees, or with both.

(3). Where the person referred to in subsection (1) is a candidate for an election under this Act, he shall, on conviction, be punished with imprisonment for a term not exceeding five years, or with fine not exceeding five hundred thousand rupees, or with both.

**268.** **Interference with secrecy of voting prohibited**.**–** (1). No person shall, in relation to an election under this Act:-

1. interfere or attempt to interfere with a voter when he records his vote;
2. in any manner obtain or attempt to obtain, in a polling station, information as to the candidate for whom a voter in that station is about to vote or has voted, or
3. communicate at any time any information obtained in a polling station as to the candidate for whom a voter in that station is about to vote or has voted.

(2). A person who contravenes any provision of subsection (1) shall, on conviction, be punished with imprisonment for a term which not exceeding three months, or with fine not exceeding twenty thousand rupees, or with both.

**269.** **Duty to maintain secrecy**.**–** (1). Every candidate and polling agent attending a polling station shall, in relation to an election under this Act:-

(a). maintain and aid in maintaining the secrecy of voting; and

(b). not pass, by any means, any information obtained by him at the counting of votes as to the candidate for whom any vote is given by any particular ballot paper.

(2). A candidate or polling agent who contravenes any provision of subsection (1) shall, on conviction, be punished with imprisonment for a term not exceeding six months, or with fine not exceeding ten thousand rupees, or with both.

**270.** **Conduct of officials or any other person employed in connection with election.–** (1).An officer or any other person performing a duty in connection with an election shall not, during the conduct or management of an election or maintenance of order at the polling station under this Act:-

1. persuade or dissuades any person to give his vote or otherwise influences in any manner the voting of any person
2. do any other act calculated to further or hinder the election of a candidate;
3. by any means, pass any information obtained by him at the counting of votes as to the candidate for whom any vote is given by any particular ballot paper; and
4. communicate, except for any purpose authorised by any law, to any person before the poll is closed any information as to the name or number on the electoral roll of any voter who has or has not applied for a ballot paper, or has or has not voted at a polling station.

(2). An officer or any other person who contravenes any provision of subsection (1) shall, on conviction, be punished imprisonment for a term not exceeding six months, or with fine not exceeding ten thousand rupees, or with both

**271.** **Breach of official duty in connection with election.–** An officer or other person employed by any such officer in connection with his official duties imposed by or under this Act shall be guilty of an offence punishable with imprisonment for a term not exceeding two years, or with fine not exceeding ten thousand rupees, or with both, if he, wilfully and without reasonable cause, commits breach of any such official duty, by act or omission.

**272.** **Illegal assistance to a candidate by government servants.–** A person in the service of Pakistan, the Government, a local government, or a body owned or controlled by the federal or a provincial government or a local government shall be guilty of an offence punishable with imprisonment for a term not exceeding one year, or with fine not exceeding twenty-five thousand rupees, or with both if he, in any manner, provides any illegal assistance to further or hinder the election of a candidate.

**273.** **Prohibition of excessive expenditure on election.–** (1).No candidate, his agent or any other person on his behalf shall accumulatively incur expenses in excess of the amount fixed under section 107 of this Act.

(2). A candidate, his agent or other person who contravenes the provision of subsection (1) shall, on conviction, be punished imprisonment for a term not exceeding one year, or with fine not exceeding five hundred thousand rupees, or with both

**274.** **Failure to correctly declare election expenditure.–** Anycandidate for an election under this Act shall, who does not submit a return on expenditures incurred by him, his agent or by some other person on his behalf within thirty daysafter the election day, shall, on conviction, be punished with imprisonment for a term not exceeding six months, or with fine not exceeding one hundred thousand rupees, or with both.

**275.** **Summary trial**.**–** All offences under this Chapter except the offences under sections 256, 257, 258, 259 and 262 of this Act shall be tried in a summary manner in accordance with the provisions of the Code of Criminal Procedure 1898 (Act V of 1898) but the limit of punishment mentioned therein for trial of an offence in summary manner shall not be applicable to the trial of an offence under this section.

**276.** **Cognizance of offences under this Chapter.–** (1).Subject to the provisions of subsection (2) below, no court shall take cognizance of an offence under this Chapter except upon a complaint in writing of the Deputy Commissioner or the respective district, or by an officer employed in connection with the conduct of the election relating which an offence was committed and who was also empowered in this behalf by the Government.

1. No court shall take cognizance of an offence under sections 267, 268 and 270 of this Act, except upon a complaint in writing made by, or under the authority of the Election Commission.
2. An offence punishable under sections 256, 257, 258, 259, 263 and 264 shall be cognizable offences within the meanings of section 2(c) of the Code of Criminal Procedure, 1898 (Act V of 1898).
3. An offence punishable under sections 262, 265, 266, 267 and 268 of this Act shall be non-cognizable offences within the meanings of section 2(l) of the Code of Criminal Procedure, 1898 (Act V of 1898).

**Chapter XXXIV – Municipal Offences and their Cognizance**

**277. Municipal offences.–** Acts or omissions listed in the second column of the Fourteenth Schedule by a person, either directly or indirectly, by himself or any other person, shall be an offence under this Act and shall be prosecuted or dealt with in the manner given under section 278 and 279 of this Act.

**278. Cognizance of municipal offences.–** (1).The relevant Inspector shall, on the basis of information laid before him, or on the basis of own knowledge or otherwise, forthwith proceed to investigate an offence in the prescribed manner.

(2). Every investigation under subsection (1) shall, unless so authorized by the respective Chief Officer, be completed within fifteen days.

(3). Where as a result of investigation, the Inspector arrives at that there is sufficient evidence of the commission of an offence, he shall draw a charge sheet against such person or persons whom he considers guilty of the offence and mention therein the amount of administrative penalty which shall be paid by them, in view of pecuniary limits mentioned at third column of the Fourteenth Schedule against that offence.

(4). Every charge sheet under subsection (3), along with necessary evidence and a notice for payment of administrative penalty shall be forthwith communicated by the Inspector to all persons against whom it is drawn with an option to settle the charge, or as the case may be the charges, by paying the mentioned amount to the respective local government within a period specified in the notice or, in case they wish so, appear before the respective enforcement officer by that date and contest their case.

(5). Where a person fails to pay administrative penalty within the period specified under subsection (4), the Inspector shall submit the charge or charges against that person along with the investigation report and necessary evidence before the respective enforcement officer.

(6). Every Inspector shall once during each calendar month, or at such other lesser intervals as the respective Chief Officer may direct, submit a complete list of persons who were proceeded against by him during this period under this section and have not paid administrative penalty in full along with charge or charges against each to the respective enforcement officer.

**279. Proceedings before the enforcement officer.–** (1). Where on the basis of the investigation report and evidence submitted before him by the Inspector under section 278 of this Act, the enforcement officer considers that a prima facie case exists, he shall proceed to decide the matter.

(2). For the purpose of subsection (1), the procedure for a trial in summary manner provided under the Code of Criminal Procedure, 1898 (Act V of 1898) shall *mutatis mutandis* apply to the proceedings of the enforcement officer.

(3). If after proceeding in the case under subsection (2), the enforcement officer considers that a person charged under section 278 of this Act has committed an offence under this Act, he shall direct the person to pay administrative penalty having regards to the pecuniary limits given under fourth column of the Fourteenth Schedule against that offence by a specified time.

(4). If, despite direction under subsection (3), a person fails to pay administrative penalty within the specified period, the enforcement officer may either direct the Inspector to file a complaint before the respective Municipal Magistrate or any other competent court or proceed to recover it in any one or more of the following manners:

1. attachment of immoveable property or sale of any movable property, including bank account of the person;
2. appointment of receiver for the management of the movable or immovable property of the person;
3. recovery of the amount as arrear of land revenue through the Collector concerned; and
4. require any entity to deduct and pay the penalty to the local government from whom any amount is due or is likely to be due to the person or who holds, or controls or is likely to control the receipt or disposal of any amount belonging to the person.

(5). For the purpose of this section, any bank, receiver, Collector, or an entity who has paid any amount in compliance with an order under this rule, shall be deemed to have paid such an amount to the local government in respect of the person and receipt of the local government shall constitute a good and sufficient discharge of liability of such bank, receiver, Collector or the entity.

**280.** **Certain powers of a court to vest upon enforcement officer.–** (1). An enforcement officer, for the purpose summoning and enforcing attendance of persons and examining them on oath, compelling the production of documents, receiving evidence on affidavits and appointment of commissions for record of evidence under this Act, shall have all the powers of a civil court trying a suit under the Code of Civil Procedure, 1908 (Act V of 1908) and shall be deemed to be a Court within the meaning of sections 480 and 482 of the Code of Criminal Procedure, 1898 (Act V of 1898).

(2). Without prejudice to any provision of subsection (1), an enforcement officer shall be deemed to be an Executive Magistrate within the meanings of section 14(2) of the Code of Criminal Procedure

**281. Appeal against order of an enforcement officer.–** Any person aggrieved against the order or direction of the enforcement officer under section 274 of this Act, may, within thirty days of the passing of such order or direction, file an appeal before an officer appointed by the Government.

**282.** **Cognizance of an offence under this Chapter by courts.–** No court shall take cognizance of an offence under this Chapter except on a complaint by the respective Inspector in accordance with the procedure mentioned under section 274 of this Act.

**283.** **Appointment of Inspectors and Enforcement Officers.–** (1). The Government may, having regards to the qualification and experience required of their office, designate officers or servants, or class of officers or servants of the local government, who shall work as Inspectors for regulation and enforcement of offences under this Chapter.

(2). The Chief Officer shall, in consultation with the head, designate areas which constitute the jurisdiction of each Inspector.

(3). The Government shall, appoint such number of enforcement officers as may be required and also designate areas which constitute the jurisdiction of each enforcement officer.

**284. General powers of Inspectors and Enforcement Officers.–** (1). Where, an Inspector or enforcement officer considers that such action is warranted in the interest of public health, safety, convenience or welfare, or to avoid danger to life or property, he may, in relation to an offence listed in the Fourteenth Schedule, by a written order:

(a). suspend, remove or caused to be removed, any work;

(b). seize, destroy or caused to be destroyed, any good or thing;

(c). seal premises;

(d). prohibit an activity; and

(d). direct that certain measures shall be taken by the relevant person by such time and in such manner as the considered necessary and appropriate.

(2). A person who fails to promptly obey the direction of an Inspector or enforcement officer under subsection (1) shall an offence punishable with imprisonment which shall not exceed one year, or with fine which shall not exceed one-hundred thousand rupees.

**285.** **Appointment of Municipal Magistrates.–** The Government may, in consultation with the High Court, appoint one or more Special Judicial Magistrates under section 14 of the Code of Criminal Procedure, 1898 (Act V of 1898), to be called Municipal Magistrates, for cognizance of offences under this Act.

**286.** **Right of citizen not effected.–** Nothing contained in this section shall effect the right of a citizen or resident of local area to bring a legal suit or any other legal proceedings against any local government, its officers and servants for violating his rights under any law for the time being in force.

**Chapter XXXV – Offences Relating to Good Conduct and Conflict of Interest**

**287. Punishment for acting dishonestly.–** In addition to any punishment for this act provided for under any other law for the time being in force,a head, convenor, councillor, officer or servant of the local government, who knowingly fails to act honestly and in a fair and transparent manner in relation to his duties or exercise of powers under this Act, or makes improper use of his office or information acquired by him because of his being in such office to gain or attempt to gain, directly or indirectly, an advantage for himself or for any other person, or cause any detriment to the local government, shall be guilty of an offence punishable with imprisonment for a term not exceeding three years and a fine not exceeding two hundred thousand rupees or with both.

**288. Punishment for acting despite conflict of interest.–** A person who has a conflict of interest as defined under section of this Act and knowingly and for the purpose of any gain, acts in contravention of any provision of section 214 of this Act or otherwise influences or seeks to influence any action of the local government with respect to a relevant transaction, shall be guilty of an offence punishable with imprisonment for a term not exceeding three years and a fine not exceeding two hundred thousand rupees or with both.

**289. Punishment for failure to disclose immediate relatives etc.–** A head, convenor or councillor who fails to disclose to the Chief Officer in writing his immediate relatives, or employer or employee, or persons intimately known to him who either hold, or are a candidate for appointment to any office of the local government or a contract for supply of goods or services or for any other purpose under the local government as required under section 113 of this Act, shall be guilty of an offence punishable with imprisonment for a term not exceeding two years and a fine not exceeding one hundred thousand rupees or with both.

**290.** **Cognizance of an offence under this Chapter by courts.–** No court shall take cognizance of an offence under this Chapter except on a complaint by or under the authority of the Government.

**Chapter XXXVI – Offences Relating to Local Taxes**

**291. Prohibition to give, offer or promise illegal gratification.–** A person who, on being called upon under section 158 of this Act, does not furnish information or furnishes information which in his knowledge is untrue, shall be guilty of an offence punishable with imprisonment for a term not exceeding six months and a fine not exceeding one hundred thousand rupees or with both.

**292. Punishment for non-payment of tax etc.–** A person against whom a tax, fee, rate, toll or other charge imposed upon him under this Act has become final and he does not pay the same despite demand of the Chief Officer or an officer authorized by him in this behalf, shall be guilty of an offence punishable with imprisonment for a term not exceeding two years and a fine not exceeding five hundred thousand rupees, or with both.

**293.** **Cognizance of offences under this Chapter.–** (1).All offences under section 286 and 287 of this Act shall be non-cognizable within the meaning of section 2(l) of the Code of Criminal Procedure, 1898 (Act V of 1898).

(2). No court shall take cognizance of an offence under sections 286 and 287 of this Act except upon a complaint in writing of the respective Chief Officer or a person authorized by the Government in this behalf.

**PART 8**

**MISCELLANEOUS**

**Chapter XXXVII – Officers and Servants of Local Governments**

**294.** **Chief Officer, other officers and servants of local governments.–** (1).Every local government shall consist of a Chief Officer and such number and description of other officers and servants as the Government may from time to time determine.

(2). Without any prejudice to the provision of subsection (4) of section 18 of this Act, all officers of a local government shall be appointed by the government from amongst the officers of the Local Government Service.

(3). All servants of a local government shall be appointed by that local government in the prescribed manner and subject to such general directions and conditions as the Government, may from time to time, consider appropriate.

**295.** **Security of tenure for the Chief Officer and other officers.–** All Chief Officers and such other officers of the local governments that may be specified by the Government from time to time, shall ordinarily hold office for a period of not less than two years.

**296. Local Government Service.–** The service constituted under section 142 of the Punjab Local Government Act, 2013 (Act XVIII of 2013) shall continue, and be called the Local Government Service.

**297. Service cadre for servants of the local governments.–** (1).There shall be a separate service cadre for the servants of the local governments called the Local Council Service.

(2). For the sake of uniformity, the Government may specify functional groups within the Local Council Service in view of qualifications, experience and skills required for effective undertaking of various functions assigned to local governments under this Act, and may also specify the method for their recruitment and general terms and conditions of their service.

(3). No local government shall employee servants in excess of the number specified under section 289 of this Act.

**298. Continuation of the Punjab Local Government Board.–** (1).The Punjab Local Government Board, hereinafter called the Board, constituted under section 125 of the Punjab Local Government Act, 2013 shall continue.

(2). The Board shall continue to be a body corporate with perpetual succession and a common seal with power to acquire, hold and transfer property, and by its name, sue or be sued.

**299. Composition of the Board.–** (1).The Board shall consist of a Chairman, a Secretary of the Board and not more than five other members.

(2). The Secretary shall be the Chairman of the Board

(3). The Government may appoint any officer of the prescribed services as Secretary of the Board in the prescribed manner.

(4). Secretaries in charge of Finance Department and Regulations Wing of Service and General Administration Department shall be the ex-officio members of the Board.

**300. Functions of the Board and method for conduct of business.–** (1).In addition to any other function or duty assigned to it under any other law for the time being in force, the Board shall, among any other things:

1. manage service matters of the officer and servants of the Board, Local Government Service and such servants of the Local Council Service as may be prescribed;
2. set up and maintain common services for all local governments in the Punjab, including those relating to the training of officers and servants of local governments and undertaking of works requiring higher engineering skills;
3. undertake research and policy work relating to any aspect of local governments;
4. pilot innovations;
5. support the Government and local governments in adherence to this Act and other relevant laws; fair, just and transparent working of the local governments;
6. set up and operate an employee’s fund for the receipt of contributions in respect of pension and other post-retirement benefits of officers and staff of the Board, Local Government Service and Local Council Service, investment of such receipts and payment of pension and other post-retirement benefits;
7. set up and operate one or more other funds as may be required in relation to its work; and
8. perform such other functions as may be prescribed.

(2). All expenditures of the Board shall be contributed by local government in the Punjab in accordance with their share apportioned by the Government from time to time.

(3). The business of the Board shall be conducted in the prescribed manner.

**Chapter XXXVIII – General Matters**

**301.** **Appeal against orders of local governments.–** Any person aggrieved by any order passed by a local government or its officers or servants or other functionaries passed in pursuance of this Act or the rules or bye-laws made thereunder, may appeal to such authority, in such manner and within such period as may be prescribed and order of such authority shall be final.

**302.** **All heads, convenors, councillors, officer and servants of the local governments to be public servants.–** All heads, convenors, councillors, officers and servants of the local government and any other person authorized to act under this Act shall be deemed to be a public servant within the meanings of section 21 of the Pakistan Penal Code (Act XIV of 1860).

**303.** **Remuneration etc. for heads, convenors and councillors.–** A local government may allow such remuneration, honorarium or allowance to the head, convenor and councillors as it may fix with the approval of Government.

**304. Right to information.–** (1). Subject to such reasonable restrictions as may be prescribed, every resident may seek any information which is in the possession of the respective local government.

(2). It shall be the duty of the local government to provide full and correct information referred to in subsection (1) within fourteen days of receipt of every request.

(3). Such information, which the government may from time to time direct, shall as far as possible, be displayed at a prominent place within the premises of the office of the local government for access by the citizens.

**305.** **Training of** **heads, convenors and councillors.–** Every head, convenor and councillor shall attend such training at such place and for such period, as the government may from time to time direct.

**306.** **Manner of exercise of authority of the government.–** (1). Wherever an authority or power has been vested upon the Government under this Act, the authorities mentioned in the Fifteenth Schedule shall be deemed to have been authorized by the Government to act in this behalf for the purpose of that authority or power without any prejudice to the power of the Cabinet to act in that behalf.

(2). Where no authority for the exercise of a power of the Government under this Act has been mentioned in the Fifteenth Schedule, such power shall be exercised by the Secretary without any prejudice to the power of the Cabinet to act in that behalf.

**307.** **Delegation of powers by a local government.–** Subject to the rules, a local government may delegate any of its powers, except the powers of the council, to the head or any of its officers or servants.

**308.** **Bar of suits etc. for action taken in good faith.–** No suit, prosecution, or other legal proceedings shall lie against any officer or servant of a local government, or any other person acting under this Act, for anything done in good faith under this Act.

**309.** **Bar against employment of head, convenor and councillors in the local government.–** No head, convenor and councillor of a local government shall be employed by or under that local government unless a period of three years has lapsed since his seizing to be such head, convenor or councillor.

**310.** **Power to make rules and bye-laws.–** (1). The Government may, by notification in the official gazette, make rules for carrying out the purposes of this Act.

(2). A local government may, and if required so by the Government shall, within ninety days of such instruction, make bye-laws not inconsistent with the rules and the Act.

(3). Where a local government fails to meet the requirements of subsection (2), the Government may prescribe bye-laws for that local government which shall be valid as if framed by that local government.

(4). Every bye-law shall come into force on publication in the official gazette.

**311.** **Power to issue regulations and standing instructions.–** (1). The Secretary may, with the approval of the Minister issue regulations on policy matters relating to the work of local governments which shall be consistent with the Act and the rules made thereunder.

(2). The Secretary may, issue standing instructions on general matters relating to the work of local governments which shall be consistent with the Act, rules made thereunder and the regulations.

**312. Repeal and Savings.–** (1). The Punjab Local Government Act, 2013 (XVIII of 2013), is hereby repealed.

(2). Save as otherwise provided in this Act, repeal of the Punjab Local Government Act, 2013 (XVIII of 2013) shall not affect:-

1. the previous operation of the Punjab Local Government Act, 2013 (XVIII of 2013) or anything duly done or suffered thereunder;
2. any right, privilege, obligation or liability acquired, accrued or incurred under the Punjab Local Government Act, 2013 (XVIII of 2013);
3. any penalty, forfeiture or punishment incurred in respect of any offence committed against the Punjab Local Government Act, 2013 (XVIII of 2013); and
4. any investigation, legal proceedings or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid, and any such investigation, legal proceedings or remedy may be instituted, continued or enforced and any such penalty, forfeiture and punishment may be imposed as if the Punjab Local Government Act, 2013 (XVIII of 2013); has not been repealed.
5. Notwithstanding its repeal, anything done or any action taken under the Punjab Local Government Act, 2013 (XVIII of 2013), including:
6. every proceeding, appointment, notification, notice, licence, rule, regulation, by-law, resolution or direction issued, made or saved under the Punjab Local Government Act, 2013 (XVIII of 2013);
7. every tax, fee, rate, toll or other charge or sums of money assessed, imposed, collected or due to a local council under the Punjab Local Government Act, 2013 (XVIII of 2013);
8. every scheme drawn up, contracted or executed under the Punjab Local Government Act, 2013 (XVIII of 2013); and
9. every instrument or contract executed under the Punjab Local Government Act, 2013 (XVIII of 2013);

which so far as is in force at the commencement of this Act and not inconsistent with the provisions of this Act, shall be deemed to have been done or taken under this Act unless previously altered, modified, cancelled, suspended, surrendered, withdrawn or superseded, as the case may be, under this Act.

**313.** **Amendments in the Fourteenth Schedule.–** The Government may, by notification in the official gazette, amend the fines for offences given in the Fourteenth Schedule, or add or remove an offence and in the former case, set the fines for that offence.

**314.** **Removal of difficulties.–** The Government may, by order, provide for the removal of any difficulty which may arise in giving effect to the provisions of this Act.

**315.** **Act to override other laws.–** The provisions of this Act shall have effect notwithstanding anything contained in any other law for the time being in force.

**Chapter XXXIX – Transitional Arrangements**

**316. Offices, authorities etc. established earlier to continue.–** (1). On coming into force of this Act, all Mayors, Chairmen, Deputy Mayors and councillors of the defunct local governments shall seize to hold their respective offices forthwith.

(2). Without any prejudice to the provisions of subsection (1), all offices or local governments established under the Punjab Local Government Act, 2013 (XVIII of 2013) shall continue till new local governments are constituted under this Act.

**317. Fiscal transfers and taxes etc. to continue.–** (1). On coming into force of this Act, where a local government was receiving any fiscal transfer, grant or compensation in lieu of Zilla tax or Octroi, the successor local government shall continue to receive such transfer, grant or compensation.

(3). All taxes, cess, fee, toll, rates, fee or charges which were being charged under the Punjab Local Government Act, 2013 (XVIII of 2013) shall continue to be charged under this Act, and every person liable to pay such tax, cess, fee, toll, rate, fee or other charge shall continue to pay, unless such tax, cess, fee, toll, rate, fee or other charge is revised, withdrawn or varied under this Act.

**First Schedule**

(See section 20)

**Seats of Councillors in Various Local Governments**

**Part A – Urban Local Governments**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Serial | Urban local government population size as per latest census | Seats of general councillors | Seats reserved for religious minorities | Seats reserved for women | Seats reserved for workers |
| 1. | Metropolitan Corporation: more than ten million  | 40 | 2 | 8 | 6 |
| 2. | Metropolitan Corporation: not less than five and up to ten million  | 35 | 2 | 7 | 5 |
| 3. | Metropolitan Corporation: not less than eleven hundred thousand and up to five million  | 30 | 2 | 6 | 4 |
| 4. | Municipal Corporation: not less than eight hundred thousand and up to eleven hundred thousand  | 25 | 2 | 5 | 3 |
| 5. | Municipal Corporation: not less than five hundred thousand and up to eight hundred thousand  | 20 | 1 | 4 | 3 |
| 6. | Municipal Committee: not less than two hundred thousand and up to five hundred thousand  | 15 | 1 | 3 | 2 |
| 7. | Municipal Committee and Town Committee: not less than twenty-five thousand up to two hundred thousand  | 10 | 1 | 2 | 1 |

**Part B – Tehsil Councils**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Ser | Tehsil Council population size as per latest census | Seats of general councillors | Seats reserved for religious minorities | Seats reserved for women | Seats of general councillors |
| 1. | More than eleven hundred thousand  | 30 | 2 | 6 | 3 |
| 2. | Not less than eight hundred thousand and up to eleven hundred thousand  | 25 | 2 | 5 | 3 |
| 3. | Not less than five hundred thousand and up to eight hundred thousand | 20 | 1 | 4 | 3 |
| 4. | Not less than two hundred thousand and up to five hundred thousand | 15 | 1 | 3 | 2 |
| 5. | Up to two hundred thousand  | 10 | 1 | 2 | 1 |

**Second Schedule**

(See section 21)

**Functions of a Metropolitan Corporation, Municipal Corporation and Municipal Committee**

**Part I**

1. Economic and value chain development;
2. Management of primary education facilities;
3. School enrolment and universal education;
4. Management of primary health care facilities;
5. Preventive health and hygiene;
6. Population welfare including population control;
7. Solid waste collection and disposal;
8. Building control and land use;
9. Births, deaths, marriages and divorce registration;
10. Museums and art galleries;
11. Open markets;
12. Public parking facilities;
13. City roads and traffic management;
14. Public transport;
15. Abstraction of water for industrial and commercial purposes;
16. Emergency planning and relief;
17. Support to provincial agencies in prevention of crime and maintenance of public order; and
18. Regulatory enforcement in the functions assigned under Part 1 and 2 of this Schedule;

**Part 2**

1. Establishment and management of pre-schools;
2. Libraries;
3. Drinking water supply;
4. Sewerage collection and disposal including waste water management;
5. Sanitation;
6. Burials, cremations etc.;
7. Public conveniences;
8. Children's services;
9. Community safety;
10. Arts and recreation;
11. Public fairs and ceremonies;
12. Sports;
13. Environmental health, awareness and services;
14. Parks and landscape development;
15. Slaughtering of animals;
16. Street lights; and
17. Sign boards and street advertisements.

**Third Schedule**

(See section 21)

**Functions of a Town Committee**

**Part I**

1. Economic and value chain development;
2. Management of primary education facilities;
3. School enrolment and universal education;
4. Management of primary health care facilities;
5. Preventive health and hygiene;
6. Population welfare including population control;
7. Solid waste collection and disposal;
8. Building control and land use;
9. Births, deaths, marriages and divorce registration;
10. Animal husbandry;
11. Agriculture extension;
12. Livestock and agricultural markets;
13. Farm to market roads;
14. Abstraction of water for industrial and commercial purposes;
15. Emergency planning and relief;
16. Support to provincial agencies in prevention of crime and maintenance of public order; and
17. Regulatory enforcement in the functions assigned under Part 1 and 2 of this Schedule;

**Part 2**

1. Establishment and management of pre-schools;
2. Libraries;
3. Drinking water supply;
4. Sewerage collection and disposal including waste water management;
5. Sanitation;
6. Burials, cremations etc.;
7. Public conveniences;
8. Children's services;
9. Community safety;
10. Arts and recreation;
11. Public fairs and ceremonies;
12. Sports;
13. Environmental health, awareness, services;
14. Parks and landscape development;
15. Slaughtering of animals;
16. Street lights; and
17. Sign boards and street advertisements.

**Fourth Schedule**

(See section 21)

**Functions of a Tehsil Council**

**Part I**

1. Management of primary education facilities;
2. School enrolment and universal education;
3. Management of primary health care facilities;
4. Preventive health and hygiene;
5. Population welfare including population control;
6. Solid waste collection and disposal;
7. Building control and land use;
8. Births, deaths, marriages and divorce registration;
9. Museums and art galleries;
10. Open markets;
11. Farm to market roads;
12. Abstraction of water for industrial and commercial purposes;
13. Emergency planning and relief;
14. Support to provincial agencies in prevention of crime and maintenance of public order; and
15. Regulatory enforcement in the functions assigned under Part 1 and 2 of this Schedule;

**Part II**

1. Establishment and management of pre-schools;
2. Libraries;
3. Drinking water supply;
4. Sewerage collection and disposal including waste water management;
5. Sanitation;
6. Burials, cremations etc.;
7. Public conveniences;
8. Children's services;
9. Community safety;
10. Arts and recreation;
11. Public fairs and ceremonies;
12. Sports;
13. Environmental health, awareness, services;
14. Parks and landscape development;
15. Slaughtering of animals;
16. Cattle markets;
17. Street lights; and
18. Sign boards and street advertisements.

**Fifth Schedule**

(See section 109)

**Declaration on Finality of Prophethood**

I, (mention here the name of the candidate taking oath), son of, wife of or the daughter of (mention here the name of father of the candidate and in case the candidate is a married female, the name of her husband) do hereby solemnly swear that I believe in the absolute and unqualified finality of the Prophethood of Hazrat Muhammad (Peace be upon him), the last of the prophets, and that I am not the follower of anyone who claims to be a Prophet in any sense of the word or of any description whatsoever after Hazrat Muhammad (peace be upon him), and that I do neither recognize such a claimant to be Prophet or religious reformer no do I belong to the Qadiani group or the Lahori group or call myself Ahmadi.

|  |  |
| --- | --- |
|  **Date:** | **Signature of the Declarant** |

**Sixth Schedule**

(See section 113)

**Oath of Office of the Head of the Local Government**

(in the name of Allah, the most Beneficent, the most Merciful)

I, (mention here the name of the head taking oath), son of, wife of or the daughter of (mention here the name of father of the head and in case the head is a married female, the name of her husband) elected as (mention here the office of head viz Lord Mayor, Mayor or Chairperson as the case may be) of the (mention here the name of respective local government) do hereby solemnly (in case the Mayor is a Muslim) swear, or (in case the Mayor is a non-Muslim) affirm:

 That, I shall bear true faith and allegiance to Pakistan and would always work to strengthen its ideology, integrity, solidarity and prosperity;

And that, I shall perform my duties under the Punjab Local Government Act, 2019 and rules, bye-laws and regulations made under it and all other applicable laws, honestly, efficaciously and efficiently to the best of my ability;

 And that I shall, as (mention here the office of the head viz. Lord Mayor, Mayor of Chairperson), always work in the best interest of the residents without any favour or prejudice and shall not allow my personal interest to influence my official conduct or my official decision;

 And that I shall, to the best of my ability, use moneys and resources of the (mention the name of the local government) in the best interest of the residents and would do all what is required to prevent misuse or misappropriation of such money or resources;

 And that in all circumstances I shall do right to all people according to law without fear or favour, ill will, or discrimination;

And that I shall, always act according to and uphold and promote democratic values;

 And that I shall not directly or indirectly communicate or reveal to any person any matter which shall become known to me in my official capacity, except as may be required for the due discharge of my duties.

May Allah Almighty, or (in case the Mayor is a non-Muslim) God, help and guide me (A’meen)

|  |  |
| --- | --- |
| **Countersigned****Signature and seal of thePresiding Officer** | **Signature of the Declarant** |

**Oath of the Office of the Convenor**

(in the name of Allah, the most Beneficent, the most Merciful)

I, (mention here the name of the convenor taking oath), son of, wife of or the daughter of (mention here the name of father of the convenor and in case the convenor is a married female, the name of her husband) elected as convenor of (mention here the name of respective local government) do hereby solemnly (in case the convenor is a Muslim) swear, or (in case the convenor is a non-Muslim) affirm:

 That, I shall bear true faith and allegiance to Pakistan and would always work to strengthen its ideology, integrity, solidarity and prosperity;

And that, I shall perform my duties under the Punjab Local Government Act, 2019 and rules, bye-laws and regulations made under it and all other applicable laws, honestly, efficaciously and efficiently to the best of my ability;

 And that I shall, as a convenor, always work in the best interest of the residents and shall not allow my personal interest to influence my official conduct or my official decision;

And that I shall, to the best of my ability, use moneys and resources of the (mention the name of the local government) in the best interest of the residents and would do all what is required to prevent misuse or misappropriation of such money or resources;

 And that in all circumstances I shall do right to all people according to law without fear or favour, ill will, or discrimination;

And that I shall, always act according to and uphold and promote democratic values;

 And that I shall not directly or indirectly communicate or reveal to any person any matter which shall become known to me in my official capacity, except as may be required for the due discharge of my duties.

 May Allah Almighty, or (in case the convenor is a non-Muslim) God, help and guide me (A’meen)

|  |  |
| --- | --- |
| **Countersigned****Signature and seal of thePresiding Officer** | **Signature of the Declarant** |

 **Oath of Office of Councillor**

(in the name of Allah, the most Beneficent, the most Merciful)

I, (mention here the name of the councillor taking oath), son of, wife of or the daughter of (mention here the name of father of the councillor and in case the councillor is a married female, the name of her husband) elected as councillor to (mention here the name of respective local government) do hereby solemnly (in case the councillor is a Muslim) swear, or (in case the councillor is a non-Muslims) affirm:

 That, I shall bear true faith and allegiance to Pakistan and would always work to strengthen its ideology, integrity, solidarity and prosperity;

And that, I shall perform my duties under the Punjab Local Government Act, 2019 and rules, bye-laws and regulations made under it and all other applicable laws, honestly, efficaciously and efficiently to the best of my ability;

 And that I shall, as a councillor, always work in the best interest of the residents and shall not allow my personal interest to influence my official conduct or my official decision;

And that I shall, to the best of my ability, use moneys and resources of the (mention the name of the local government) in the best interest of the residents and would do all what is required to prevent misuse or misappropriation of such money or resources;

 And that in all circumstances I shall do right to all people according to law without fear or favour, ill will, or discrimination;

And that I shall, always act according to and uphold and promote democratic values;

 And that I shall not directly or indirectly communicate or reveal to any person any matter which shall become known to me in my official capacity, except as may be required for the due discharge of my duties.

 May Allah Almighty, or (in case the councillor is a non-Muslim) God, help and guide me (A’meen)

|  |  |
| --- | --- |
| **Countersigned****Signature and seal of thePresiding Officer** | **Signature of the Declarant** |

**Seventh Schedule**

(See section 113)

**Declaration of Immediate Relatives etc.**

I, (mention here the name of the declarant), son of, wife of or the daughter of (mention here the name of father of the declarant and in case the declarant is a married female, the name of her husband) elected as or holding the office of (mention here the office of the declarant ) of (mention here the name of respective local government) do hereby declare that my immediate relatives, or employer or employee, or persons intimately known to me who either hold, or are a candidate for appointment to any office of the local government or a contract for supply of goods or services or for any other purpose under the local government are as under:-

1. (mention here the name, father’s name of the person declared or in case the person declared is a married female, the name of her husband, the position held or to which that person is a candidate for or the respective contract for supply of goods or services of for any purpose under the local government)
2. ……………
3. ……………

|  |  |
| --- | --- |
| **Countersigned****Signature and seal of thePresiding Officer** | **Signature of the Declarant** |

**Eighth Schedule**

(See section 113 and 114)

**Declaration of Assets**

I, (mention here the name of declarant), son of, wife of or the daughter of (mention here the name of father of declarant and in case the declarant is a married female, the name of her husband) elected as or holding the office of (mention here the office of the declarant ) of (mention here the name of respective local government) do hereby declare that I and my parents, spouse, children and dependant(s) own following assets:-

|  |  |
| --- | --- |
| **A** | **Immovable Property: Land** |
| Ser | Location  | Area  | Nature (agricultural, residential, commercial etc.) | Present value | Name of owner | Extent of declarant’s interest | Date of acquisition | Manner of acquisition | Remarks |
| 1 |  |  |  |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |  |  |  |
| 4 |  |  |  |  |  |  |  |  |  |
| **B** | **Immovable Property: Residential Property** |
| Ser | Address | Area | Present use  | Present value | Name of owner | Extent of declarant’s interest | Date of acquisition | Manner of acquisition | Remarks |
| 1 |  |  |  |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |  |  |  |
| 4 |  |  |  |  |  |  |  |  |  |
| **C** | **Immovable Property: Other description** |
| Ser | Address | Area  | Present use  | Present value | Name of owner | Extent of declarant’s interest | Date of acquisition | Manner of acquisition | Remarks |
| 1 |  |  |  |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |  |  |  |
| 4 |  |  |  |  |  |  |  |  |  |
| **A** | **Movable Property: Cash in hand, Credit, Insurance Policy, Debenture, Shares etc.** |
| Ser | Description  | Present value | Name of owner | In case of loan, name of creditor and relationship between creditor with declarant | Date of acquisition | Manner of acquisition | Remarks |
| 1 |  |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |  |
| **B** | **Movable Property: Businesses** |
| Ser | Description  | Capital  | Name of owner | Date of acquisition | Manner of acquisition | Remarks |
| 1 |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |
| **C** | **Movable Property: Motor Vehicles** |
| Ser | Description (make, model, registration) | Present value | Name of owner | Date of acquisition | Manner of acquisition | Remarks |
| 1 |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |
| **D** | **Movable Property: Bank Account(s)** |
| Ser | Account number, title, Bank and Branch | Present value | Name of account holder | Date of acquisition | Manner of acquisition | Remarks |
| 1 |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |

I hereby declare that the Declaration m ado above is complete, true and correct to the best of my knowledge and belief.

 **Signature of the Declarant**

**Ninth Schedule**

(see section 153)

**Taxes, Fees, Rates and Tolls of Various Local Government**

**Part - I**

**Metropolitan Corporation, Municipal Corporations and Municipal Committees**

1. Tax on urban immovable property;
2. Entertainment tax on dramatic and theatrical shows;
3. Tax on the transfer of immovable property;
4. Water rate;
5. Drainage rate;
6. Conservancy rate;
7. Fee for approval of building plans, erection and re-erection of buildings;
8. Fee for change of land use of a land or building as prescribed;
9. Fee for licenses, sanctions and permits;
10. Fee on the slaughter of animals;
11. Fee for licensing of professions or vocations as may be prescribed;
12. Market fees;
13. Tax on advertisement and billboards;
14. Toll tax on roads, bridges and ferries maintained by the respective Metropolitan Corporation, Municipal Corporation or the Municipal Committee;
15. Fee at fairs and industrial exhibitions;
16. Fee for specific services rendered by the local government;
17. Fee for registration and certification of births and marriages;
18. Tax for the construction or maintenance of any work of public utility;
19. Parking fee;
20. Water conservancy charge from the owner or occupier of a house or any other building;
21. Tax on installation of Base Transceiver Station/Tower;
22. Fee for licensing of professions or vocations as prescribed;
23. Any other tax or levy authorized by the Government.

**Part - II**

**Town Committees**

1. Tax on urban immovable property;
2. Tax on the transfer of immovable property;
3. Water rate;
4. Drainage rate;
5. Conservancy rate;
6. Fee for approval of building plans, erection and re-erection of buildings;
7. Fee for change of land use of a land or building as prescribed;
8. Fees on the slaughter of animals;
9. Market fees;
10. Tax on advertisement and billboards; and
11. Parking fees.

**Part - III**

**Tehsil Councils**

1. Tax on the transfer of immovable property;
2. Fees for licenses, sanctions and permits granted by the Tehsil Council;
3. Market fees for the markets maintained by the Tehsil Council;
4. Local rate on lands assessable to land revenue;
5. Rates on the services provided by the Tehsil Council;
6. Fees at fairs, agricultural shows and industrial exhibitions;
7. Fees for specific services rendered by the Tehsil Council;
8. Toll on bridges and ferries maintained by the respective Tehsil Council.
9. Tax for the construction or maintenance of a work of public utility;
10. Tax on advertisement and billboards;
11. Fee for approval of building plans, erection and re-erection of building other than residential buildings;
12. Fee for change of land use of a land or building as prescribed;
13. Water conservancy charge from the owner or occupier of a house or any other building;
14. Tax on installation of Base Transceiver Station/Tower;
15. Fee for licensing of professions or vocations as prescribed; and
16. Any other tax or levy authorized by the Government.

**Tenth Schedule**

(See section 176)

**Oath of Office for Member of Punjab Finance Commission**

(in the name of Allah, the most Beneficent, the most Merciful)

I, (mention here the name of the member taking oath), on being appointed as a member of the Punjab Finance Commission, do hereby solemnly affirm:

 That, I shall bear true faith and allegiance to Pakistan and would always work to strengthen its ideology, integrity, solidarity and prosperity;

And that, I shall perform my duties in accordance with the spirit of the provisions of Punjab Local Government Act, 2019 and rules, bye-laws and regulations made under it as well as the other applicable laws, honestly, efficaciously and efficiently to the best of my ability;

 And that I shall, as a member of Punjab Finance Commission, always work in the best interest of the citizens of the Punjab and shall not allow my personal interest to influence my official conduct or my official decision;

 And that in all circumstances I shall do right to all people according to law without fear or favour, ill will, or discrimination;

 And that I shall not directly or indirectly communicate or reveal to any person any matter which shall become known to me in my official capacity, except as may be required for the due discharge of my duties.

May Allah Almighty, or (in case the councillor is a non-Muslim) God, help and guide me (A’meen)

|  |  |
| --- | --- |
| **Countersigned****Signature and seal of thePresiding Officer** | **Signature of the Declarant** |

**Eleventh Schedule**

(See section 229)

**Grounds for Suspension or Removal of a Head, Convenor or Councillor**

1. Where the head, convenor or, as the case may be, councillor is corrupt or involves himself in a corrupt practice within the meaning of clause (s) and (r) of section 2 of this Act or under any other law for the time being in force;
2. Where the head, convenor or, as the case may be, councillor generally acts in a manner which is prejudicial to the public interest;
3. Where the head, convenor or, as the case may be, councillor repeatedly exceeds any authority or repeatedly misuses any authority conferred upon him under this Act;
4. Where the head, convenor or, as the case may be, councillor grossly exceeds any authority or grossly misuses any authority conferred upon him under this Act;
5. Where the head, convenor or, as the case may be, councillor is convicted of an offence involving moral turpitude or an offence carrying punishment of three years and more under any law for the time being in force;
6. Where the head, convenor or, as the case may be, councillor incurs any of the disqualifications enumerated in section 109 of this Act or otherwise becomes ineligible for being elected as a head, convenor or, as the case may be, councillor;
7. Where the head, convenor or, as the case may be, councillor fails to take oath or submit a declaration under section 113 of this Act;
8. Where the head, convenor or, as the case may be, councillor violates any provision of the oath undertaken by him under this Act;
9. Where the head, convenor or, as the case may be, councillor fails to declare assets under section 114 of this Act despite notice;
10. Where the head, convenor or, as the case may be, councillor being the head, absents himself from office without reasonable cause repeatedly;
11. Where the head, convenor or, as the case may be, councillor absents himself from three consecutive meetings of the council;
12. Where the head, convenor or, as the case may be, councillor contravenes one or more provisions of sections xx, xx or xx of this Act;
13. Where the head, convenor or, as the case may be, councillor is guilty of misconduct in terms of section 217 of this Act;
14. Where the head, convenor or, as the case may be, councillor fails to comply with a lawful instruction of the Government despite notice; and
15. Where being the head, he fails to undertake any measure or arrangement as required under section 227 of this Act;

**Twelfth Schedule**

(See section 230)

**Grounds for Suspension or Removal of a Council**

1. Where the head, having failed twice during the relevant financial year to show cause to the satisfaction of the Government under section 226 of this Act on this account, does not undertake a function or fails to meet minimum standard of quality of public services fixed or expected under section 29 of this Act in relation to more than one quarter of the functions assigned to the respective local government under this Act;
2. Where the council has been unable to meet its financial obligations for the last two financial years;
3. Where the local government becomes insolvent and remains so for a period of one financial year;
4. Where the local government generally acts in a manner prejudicial to the public interest; or
5. Where the local government otherwise grossly exceeds or abuses the authority conferred upon it under this Act.

**Thirteenth Schedule**

(See section 240)

**Oath of Office for Member of Punjab Local Government Commission**

(in the name of Allah, the most Beneficent, the most Merciful)

I, (mention here the name of the member taking oath), on being appointed as a member of the Punjab Local Government Commission, do hereby solemnly affirm:

 That, I shall bear true faith and allegiance to Pakistan and would always work to strengthen its ideology, integrity, solidarity and prosperity;

And that, I shall perform my duties in accordance with the spirit of the provisions of Punjab Local Government Act, 2019 and rules, bye-laws and regulations made under it as well as the other applicable laws, honestly, efficaciously and efficiently to the best of my ability;

 And that I shall, as a member of Punjab Local Government Commission, always work in the best interest of the citizens of the Punjab and shall not allow my personal interest to influence my official conduct or my official decision;

 And that in all circumstances I shall do right to all people according to law without fear or favour, ill will, or discrimination;

 And that I shall not directly or indirectly communicate or reveal to any person any matter which shall become known to me in my official capacity, except as may be required for the due discharge of my duties.

May Allah Almighty, or (in case the member is a non-Muslim) God, help and guide me (A’meen)

|  |  |
| --- | --- |
| **Countersigned****Signature and seal of thePresiding Officer** | **Signature of the Declarant** |

**Fourteenth Schedule**

(See section 272)

**Municipal Offences**

| **Serial** | **Offence** | **First stage administrative penalty**  | **Administrative penalty by enforcement officer** | **Imprisonment or fine to be imposed upon a person on conviction by a competent court (maximum limit)** |
| --- | --- | --- | --- | --- |
|  **A** | **Offences relating to unlawful use of public space** |
|  | Obstructing or tampering with any road, street, drain or pavement | Rupees five hundred to two thousand | Rupees one thousand to four thousand | Imprisonment of seven days, or fine of rupees ten thousand or both |
|  | Fixing of wooden cabins or temporary shops or extension thereof on footpaths or beyond the street line | Rupees one thousand to four thousand | Rupees two thousand to eight thousand | Imprisonment of seven days, or fine of rupees fifteen thousand or both |
|  | Immovable encroachment in or on or under any property or any open space or land vested in or managed, maintained or controlled by a local government. | Rupees twenty thousand to fifty thousand, removal at encroacher’s expense | Rupees fifty thousand to one hundred thousand, removal at encroacher’s expense | Imprisonment for thirty days, or fine of rupees three hundred thousand, or both and removal of encroachment at encroacher’s expense |
|  | Erection or re-erection of building over set back area or parking area or building line area required to be left open under the rules for using such space for any purpose which is not approved. | Rupees twenty thousand to fifty thousand, removal encroacher’s expense | Rupees fifty thousand to one hundred thousand, removal at encroacher’s expense | Imprisonment for thirty days, or fine of rupees three hundred thousand, or both and removal of encroachment at encroacher’s expense |
|  | Changing or converting into any other use any portion of a commercial building or area specified or earmarked for public parking. | Rupees one hundred thousand to two hundred thousand, removal encroacher’s expense | Rupees three hundred thousand to five hundred thousand, removal at encroacher’s expense | Imprisonment for three months, or fine of rupees five hundred thousand, or both and removal of encroachment at encroacher’s expense |
|  | Plying of handcarts for the sale of goods without permission | Rupees five hundred to one thousand | Rupees one thousand to two thousand | Imprisonment of seven days, or fine of rupees five thousand or both |
|  | Picketing, parking animals or collecting carts or vehicles on any street, using any street as a halting place for vehicle or animals or as a place encampment without the permission of the local government. | Rupees five hundred to one thousand | Rupees one thousand to two thousand | Imprisonment of seven days, or fine of rupees five thousand or both |
|  | Establishing or running any restaurant or vending stalls for eatables on any road, street, footpath, public place, over a drain, or any other property vesting in or managed or controlled by a local government without permission | Rupees ten thousand to fifty thousand, removal at encroacher’s expense | Rupees thirty thousand to one hundred thousand, removal at encroacher’s expense | Imprisonment for thirty days, or fine of rupees three hundred thousand, or both and removal of encroachment at encroacher’s expense |
|  | Fixing any bill, notice, play card, poster or other paper or means of advertisement against or upon any private or public building or place other than the places fixed for the purpose by a local government.  | Rupees one thousand to ten thousand | Rupees five thousand to twenty thousand | Imprisonment of seven days, or fine of rupees fifty thousand or both |
|  | Exhibiting any obscene advertisement. | Rupees ten thousand | Rupees thirty thousand | Imprisonment of one month, or fine of rupees one hundred thousand or both |
|  | Establishing any parking stand on any property or on any open space and public park or land vested in or managed, maintained or controlled by a local government on or under a street, road, graveyard or a drain without the sanction of the concerned local government. | Rupees ten thousand to fifty thousand, removal at encroacher’s expense | Rupees thirty thousand to one hundred thousand, removal at encroacher’s expense | Imprisonment for thirty days, or fine of rupees three hundred thousand, or both and removal of encroachment at encroacher’s expense |
|  | Establishing any bus, wagon, taxi or other commercial motorized or non-motorized vehicle stand, for purposes of plying them on different routes, on any road, street, footpath, public place or any other property vested or managed or controlled or maintained by a local government without its permission. | Rupees fifty thousand to two hundred thousand | Rupees one hundred thousand to five hundred thousand | Imprisonment of six months, or fine of rupees one million or both |
|  **B** | **Offences relating to littering and spoiling** |
|  | Failure of the owner or occupier of an industrial or large commercial unit to cause or to knowingly or negligently allow the contents of any sink, sewer or cesspool or any other offensive matter to flow, or drain or to be put upon any street, or public place, or into irrigation channel or any sewer or drain not set apart for the purpose  | Rupees fifty thousand to two hundred thousand | Rupees one hundred thousand to five hundred thousand | Imprisonment of six months, or fine of rupees one million or both |
|  | Failure by the owner or occupier of a house or small shop to cause or to knowingly or negligently allow the contents of any sink, sewer or cesspool or any other offensive matter to flow, or drain or to be put upon any street, or public place, or into irrigation channel or any sewer or drain not set apart for the purpose | Rupees two thousand to ten thousand  | Rupees five thousand to twenty thousand | Imprisonment of seven days, or fine of rupees one hundred thousand or both |
|  | Throwing or placing any refuse, litter or garbage on any street, or in any place, not provided or appointed for the purpose by a local government. | Rupees two hundred to one thousand | Rupees five hundred thousand to five thousand | Imprisonment of seven days, or fine of rupees ten thousand or both |
|  | Failure to provide for disposal of litter or garbage inside or outside a shop by its owner or occupier. | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees thirty thousand or both |
|  | Failure to maintain clean premises of the area in front of a shop or office up to the public street or road serving this facility. | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees thirty thousand or both |
|  | Failure to maintain clean premises of the area in front of a factory up to the public street or road serving this facility. | Rupees ten thousand to twenty thousand | Rupees twenty thousand to fifty thousand | Imprisonment of seven days, or fine of rupees one hundred thousand or both |
|  | Failure to provide, close, remove, alter, repair, clean, disinfect or put in proper order any latrine, urinal drain, cesspool or other receptacle for filth, sullage, water or refuse by an owner or occupier of a house, shop or office or premises.  | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees two thirty thousand or both |
|  | Failure to provide, close, remove, alter, repair, clean, disinfect or put in proper order any latrine, urinal drain, cesspool or other receptacle for filth, sullage, water or refuse by an owner or occupier of an industry  | Rupees twenty thousand to fifty thousand | Rupees one hundred thousand to five hundred thousand | Imprisonment of seven days, or fine of rupees ten hundred thousand or both |
|  | Failure to clean the premises, houses, shops and cultivated lands of the plastic bags and other non-perishable materials. | Rupees one thousand to three thousand | Rupees three thousand to ten thousand | Imprisonment of seven days, or fine of rupees one twenty thousand or both |
|  | Damaging or polluting physical environment, inside or outside private or public premises, in a manner to endanger public health.  | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees two hundred thousand or both |
|  | Dumping of solid waste and refuse by any person or entity on a place other than landfill or dumping site, notified or designated by the concerned local government. | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees two hundred thousand or both |
|  **C** | **Offences relating to cattle, animals and pets** |
|  | Keeping or maintaining any cattle in any part of city where keeping of cattle is prohibited or failure to remove the cattle from the prohibited zone within the specified time when an order to this effect has been made | Rupees two thousand to five thousand | Rupees four thousand to ten thousand | Imprisonment of one month, or fine of rupees thirty thousand or both |
|  | Keeping ferocious dogs or other animals in residential areas or taking such animals to public places or the areas specified by the local government, without leash or chain and without being muzzled or to set at large any animal or dog infected with rabies or any other infectious disease. | Rupees five hundred to two thousand | Rupees one thousand to four thousand | Imprisonment of seven days, or fine of rupees ten thousand or both |
|  | Obstructing lawful seizure of animals liable to be impounded on the ground of violations of rules or by-laws governing the picketing, tethering, keeping, milching or slaughter of animals or their trespass of private or public property. | Rupees ten thousand to twenty thousand | Rupees twenty thousand to fifty thousand | Imprisonment of seven days, or fine of rupees two hundred thousand or both |
|  | Causing or permitting animals to stray or keeping, tethering, stalling, feeding or gazing any cattle on any road, street or thoroughfare or in any public place or damaging or causing or permitting to be damaged any road, street or thoroughfare by allowing cattle to move thereon.  | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees fifty thousand or both |
|  | Watering cattle or animals, or bathing or washing at or near a well or other source of drinking water for the public. | Rupees five thousand to ten thousand | Rupees fifteen thousand to thirty thousand | Imprisonment of seven days, or fine of rupees fifty thousand or both |
|  | Feeding or allowing to be fed an animal meant for dairy or meat purposes, on deleterious substance, filth or refuse of any kind which is dangerous to health of consumers.  | Rupees ten thousand to twenty thousand | Rupees twenty thousand to fifty thousand | Imprisonment of seven days, or fine of rupees two hundred thousand or both |
|  | Causing or permitting to be caused by any owner or keeper of an animal which, through neglect or otherwise, damages any land or crop or produce of land, or any public road.  | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees fifty thousand or both |
|  | Selling of individual cattle and animal in contravention of any law, rule or by-laws of a local government.  | Rupees ten thousand to twenty thousand | Rupees twenty thousand to fifty thousand | Imprisonment of seven days, or fine of rupees two hundred thousand or both |
|  | Establishment and operation of a cattle market in contravention of any law, rule or by-laws of a local government | Rupees one hundred thousand to five hundred thousand | Rupees five hundred thousand to one million | Imprisonment for three months, or fine of rupees two million, or both  |
|  | Keeping pigeon or other birds in a manner causing danger to air traffic  | Rupees ten thousand to twenty thousand | Rupees twenty thousand to fifty thousand | Imprisonment of seven days, or fine of rupees two hundred thousand or both |
|  **D** | **Offences relating to disposal of dead and carcasses of animals etc.** |
|  | Burying or burning a dead body at a place which is not a public or registered burial or burning place, except with the sanction of the local government. | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees fifty thousand or both |
|  | Disposal of carcasses of animals within prohibited distance. | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees fifty thousand or both |
|  | Failure to dispose of offal, fat or any organ or part of a dead animal in a place set apart for the purpose by the local government. | Rupees one thousand to three thousand | Rupees three thousand to ten thousand | Imprisonment of seven days, or fine of rupees one twenty thousand or both |
|  **E** | **Offences relating to unlawful interference with local government properties and infrastructure** |
|  | Obstructing or tampering with any main pipe, meter or any apparatus or appliance for the supply of water or sewerage system.  | Rupees five thousand to twenty thousand | Rupees ten thousand to fifty thousand | Imprisonment of one month, or fine of rupees one hundred thousand or both |
|  | Owner or occupier of a house or shop drawing off, diverting or taking any water except with the previous permission of the local government | Rupees ten thousand to thirty thousand  | Rupees twenty thousand to fifty thousand | Imprisonment of seven days, or fine of rupees one hundred thousand or both |
|  | Owner or occupier of an industrial or a large commercial unit drawing off, diverting or taking any water except with the previous permission of the local government | Rupees fifty thousand to one hundred thousand  | Rupees one hundred thousand to three hundred thousand | Imprisonment of one month, or fine of rupees five hundred thousand or both |
|  | Laying out a drain or altering a drain in a street or road without the previous sanction of the local government | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees fifty thousand or both |
|  | Connecting any house drain with a drain in a public street without the previous sanction of the local government | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees fifty thousand or both |
|  | Defacing or disturbing, without due authorization, any direction-post, lamp post or lamp extinguishing or any light arranged by a local government.  | Rupees one thousand to three thousand | Rupees three thousand to ten thousand | Imprisonment of seven days, or fine of rupees one twenty thousand or both |
|  | Failure to deliver back possession of property to the local government on cancellation and expiration of lease. | Rupees fifty thousand to one hundred thousand | Rupees one hundred thousand to two hundred thousand | Imprisonment of one month, or fine of rupees one five hundred thousand or both |
|  **F**  | **Offences relating to sources of water supply etc.** |
|  | Steeping hemp, jute or any other plant in or near a pond or any other excavation within such distance of the residential area as may be specified by a local government. | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees fifty thousand or both |
|  | Failure by the owner or occupier of any land or building to clean, repair, cover, fill up or drain off any private well, tank or other source of water supply, which is declared under this Act to be injurious to health or offensive to the neighbourhood. | Rupees five thousand to ten thousand | Rupees fifteen thousand to thirty thousand | Imprisonment of seven days, or fine of rupees fifty thousand or both |
|  | Failure to stop leakages of water pipes, faucets and sanitary fittings resulting in dirty water pools affecting physical environments and breeding of mosquitoes. | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees fifty thousand or both |
|  | Failure of an owner or occupier of any building or land to put up and keep in good condition troughs and pipes for receiving or carrying water or sullage water. | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees fifty thousand or both |
|  **G** | **Offences relating to maintenance of trees, plants and hedges etc.** |
|  | Failure by the owner or occupier of any land to cut or trim the hedges growing thereon which overhang any well, tank or other source from which water is derived for public use. | Rupees five hundred to two thousand | Rupees one thousand to four thousand | Imprisonment of seven days, or fine of rupees ten thousand or both |
|  | Failure by the owner or occupier of any land to clear away and remove any vegetation declared by a local government to be injurious to health or offensive to neighbourhoods | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees fifty thousand or both |
|  | Illegally cutting down of any tree, from any street or road of a local government road  | Rupees twenty thousand to fifty thousand | Rupees fifty thousand to one hundred thousand | Imprisonment of seven days, or fine of rupees two hundred thousand or both |
|  **H** | **Offences relating to public nuisance and public health** |
|  | Loud playing of music or radio, beating of drum or tom-tom, blowing a horn or beating or sounding any brass or other instruments or utensils in contravention of any general or special prohibition issued by a local government or in and around a hospital or an educational institution.  | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees fifty thousand or both |
|  | Loud shouting in abusive language causing distress to the inhabitants of a neighbourhood or village or any other public place.  | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees fifty thousand or both |
|  | Using or allowing the use for human habitation of a building declared by a local government to be unfit for human habitation.  | Rupees ten thousand to twenty thousand | Rupees twenty thousand to fifty thousand | Imprisonment of seven days, or fine of rupees two hundred thousand or both |
|  | Failure to lime-wash or repair a building, if so required by local government.  | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees fifty thousand or both |
|  | Begging importunately for alms by exposing any deformity or disease or any offensive sore or wound to solicit charity.  | Rupees five hundred to two thousand | Rupees one thousand to four thousand | Imprisonment of seven days, or fine of rupees ten thousand or both |
|  | Discharging any dangerous chemical, inflammable, hazardous or offensive article in any drain, or sewer, public water course or public land vested in or managed, maintained or controlled by the local government in such manner as causes or is likely to cause danger to persons passing by or living or working in neighbourhood, or risk or injury to property. | Rupees twenty thousand to one fifty thousand  | Rupees fifty thousand to one hundred thousand | Imprisonment of one month, or fine of rupees two hundred thousand or both |
|  | Failure of industrial or commercial concerns to provide adequate and safe disposal of affluent or prevention of their mixing up with the water supply or sewerage system. | Rupees fifty thousand to one hundred thousand  | Rupees hundred thousand to two hundred thousand | Imprisonment of one month, or fine of rupees five hundred thousand or both |
|  | Cultivation of agriculture produce or crop, for supply or sale to public using such manure, or irrigating it with sewer water or any such liquid as may be injurious to public health or offensive to the neighbourhood. | Rupees ten thousand to thirty thousand  | Rupees thirty thousand to fifty thousand | Imprisonment of one month, or fine of rupees one hundred thousand or both |
|  **I** | **Offences relating to land use and building control** |
|  | Violation of the prohibitions provided in the Master Plan, the sanctioned Site Development Schemes under this Act or any other law for the time being in force including the plans and schemes sanctioned under the repealed enactments. | Rupees fifty thousand to five hundred thousand  | Rupees one hundred thousand to one million  | Imprisonment of one month, or fine of rupees five million or both |
|  | Erection or re-erection of a building without the sanction required under this Act or using a building for a purpose which may endanger public safety | Rupees fifty thousand to five hundred thousand and removal at owner’s expense  | Rupees one hundred thousand to one million and removal at owner’s expense | Imprisonment of one month, or fine of rupees five million or both and removal at owner’s expense |
|  | Establishing a brick kiln and lime kiln within such distance of a residential area as may be specified by the local government. | Rupees fifty thousand to one hundred thousand and removal at owner’s expense  | Rupees one hundred thousand to three hundred thousand and removal at owner’s expense | Imprisonment of one month, or fine of rupees five hundred thousand or both and removal at owner’s expense |
|  **J** | **Offences relating to public safety** |
|  | Manufacturing, storing, trading or carrying fire crackers, fire balloons or detonators or any dangerous chemical, inflammable, hazardous or offensive article or material without license from concerned authority. | Rupees five thousand to twenty thousand | Rupees fifteen thousand to fifty thousand | Imprisonment of fifteen days, or fine of rupees one hundred thousand or both |
|  | Excavation of earth, stone or any other material within such distance of the residential area as specified by the local government. | Rupees twenty thousand to fifty thousand | Rupees fifty thousand to one hundred thousand | Imprisonment of one month, or fine of rupees five hundred thousand or both |
|  | Failure to demolish or otherwise secure a building declared by the local government to be dangerous building. | Rupees ten thousand to twenty thousand and removal at owner’s expense | Rupees twenty thousand to fifty thousand and removal at owner’s expense | Imprisonment of one month, or fine of rupees one hundred thousand or both and removal at owner’s expense |
|  | Digging of public land without the permission in writing of local government. | Rupees five thousand to twenty thousand | Rupees fifteen thousand to fifty thousand | Imprisonment of fifteen days, or fine of rupees one hundred thousand or both |
|  | Quarrying, blasting, cutting timber or carrying building operations in such manner as causes or is likely to cause danger to persons passing by or living or working in the neighbourhood. | Rupees twenty thousand to fifty thousand | Rupees fifty thousand to one hundred thousand | Imprisonment of one month, or fine of rupees five hundred thousand or both |
|  | Dyeing or tanning skins within such distance of any commercial or residential areas as may be specified by the local government. | Rupees ten thousand to twenty thousand  | Rupees twenty thousand to fifty thousand  | Imprisonment of one month, or fine of rupees one hundred thousand or both |
|  | Manufacturing, keeping, storing or selling wire thread or any other material meant for kite flying or likely to cause threat to human life or electric installations or disruption of electric supply. | Rupees ten thousand to twenty thousand  | Rupees twenty thousand to fifty thousand  | Imprisonment of one month, or fine of rupees one hundred thousand or both |
|  **K** | **Other offences** |
|  | Failure to furnish, on requisition, information in respect of any matter which a local government is authorized to call for under any of the provisions of this Act, rules or bye-laws or furnishing wrong information.  | Rupees five hundred to one thousand | Rupees one thousand to two thousand | Imprisonment of seven days, or fine of rupees five thousand or both |
|  | Overcharging or illegally charging any tax, fee, fine, charge or rate by an employee of a local government or a contractor or his staff without the authority of a local government. | Rupees twenty-five thousand to fifty thousand | Rupees fifty thousand to one hundred thousand | Imprisonment of one month, or fine of rupees five hundred thousand or both |
|  | Preparing or using counterfeit or proscribed Forms of the local government. | Rupees fifteen thousand to thirty thousand | Rupees thirty thousand to fifty thousand | Imprisonment of one month, or fine of rupees one hundred thousand or both |
|  | Wilfully obstructing any officer or servant of a local government or any person authorized to exercise power conferred under this Act. | Rupees twenty thousand to fifty thousand | Rupees fifty thousand to one hundred thousand | Imprisonment of one month, or fine of rupees five hundred thousand or both |
|  | Doing an act without license or permission when the doing of such act requires a license or permission under any of the provisions of this Act or the rules or bye-laws. | Rupees ten thousand to twenty thousand | Rupees twenty thousand to fifty thousand | Imprisonment of seven days, or fine of rupees one hundred thousand or both |
|  | Evasion of payment of tax or other impost lawfully levied by a local government. | Rs.2,000 and report to police | Rs.4,000 and report to police | Confinement for three weeks / fine (minimum amount to be more than previously imposed) |
|  | Contravention of any prohibition or direction of the local government issued under this Act or the rules. | Rupees two thousand to five thousand | Rupees five thousand to fifteen thousand | Imprisonment of seven days, or fine of rupees thirty thousand or both |
|  | Contravention of the prohibition or attempt or abetment of any of the offences in this Schedule | Rupees two thousand to fifty thousand | Rupees five thousand to one hundred thousand | Imprisonment of seven days, or fine of rupees two hundred thousand or both |

**Fifteenth Schedule**

(See section 301)

**Manner of Exercise of Powers Conferred upon Government**

| Serial | Corresponding section of the Act | Power of the Government | Person or authority authorized to exercise this power  |
| --- | --- | --- | --- |
|  | Section 4(2) | Power to constitute succeeding local governments  | Chief Minister |
|  | Section 5(1)(b) | Power to determine the extent of right, fund, claim or liability or portion thereof of a defunct local government which shall be succeeded by a local government | Secretary |
|  | Section 5(3) | Power to allow a local government to succeed a property, right, fund, claim or liability or portion thereof of a defunct local government which does not pertain to its function under this Act | Chief Minister |
|  | Section 5(5) | Power to provide for the manner of succession and discharge of liabilities of a defunct local government | Minister |
|  | Section 5(6) | Power to assign properties, rights, funds, claims or liabilities among local governments, and settling all disputes relating to this matter | Secretary |
|  | Section 6(3) | Power to require a local government to take such measures, or not to act or do anything, or run its affairs, or to incur expenditure in a manner as is likely to further the objectives of section 5 of this Act | Chief Minister, Minister, Secretary |
|  | Section 8, 9 | Power to demarcate, classify and name local areas | Cabinet |
|  | Section 10 | Power to change the name of a local area | Minister  |
|  | Section 12 | Power to direct special reviews of one or more local areas by the Commission | Chief Minister |
|  | Section 13(2) | Power to issue general directions for the conduct of periodical and special reviews of local areas by the Commission | Secretary |
|  | Section 14 | Power to change limits or classification of a local area | Cabinet |
|  | Section 15, 16 | Power to constitute and name a local government | Chief Minister  |
|  | Section 17 | Power to divide, amalgamate or re-constitute a local government consequent to changes in limits or classification of a local area | Chief Minister |
|  | Section 19 | Power to appoint an administrator where office of the head falls vacant | Chief Minister |
|  | Section 22 | Power to assign additional function to a local government | Cabinet |
|  | Section 23 | Power to issue policy directions, guidelines for effective transparent and efficient undertaking of functions by a local government | Secretary with the approval of Minister |
|  | Section 23 | Power to fix objectives for effective transparent and efficient undertaking of functions by a local government | Secretary |
|  | Section 36(2) | Power to permit a government office, authority or agency to partake agency arrangements with a local government | Secretary |
|  | Section 25(1) | Power to appoint an undertaker for any function listed in Part I of Second, Third or Fourth Schedule  | Chief Minister |
|  | Section 26(1)(b) | Power to fix standard of provision of a public service | Minister |
|  | Section 30 | Power to establish joint authority for provision of one or more public services in relation to function listed in Part I of Second, Third and Fourth Schedule  | Minister |
|  | 31(2)(3) | Power to appoint Operating Officer of a joint authority established under section 30 of the Act | Secretary |
|  | 32(1)(b), (2) | Power to apportion expenses of a joint authority established under section 30 of the Act and to apportion expenses of a joint authority in case of disagreement of constituting local governments  | Secretary or an officer authorized by him |
|  | Section 34(1)(c), (2) | Power to dissolve a joint authority | Minister |
|  | Section 35(2) | Power to decide disputes relating to succession of a joint authority | Secretary or an officer authorized by him |
|  | Section 43(4) | Power to issue specific directions to a Chief Officer | Secretary |
|  | Section 45(1)(a), (2) | Power to receive and decide any reference of the Chief Officer in respect of an illegal resolution, order or instruction of the local government | Secretary |
|  | Section 49(2), (3) | Power to specify nature or pecuniary limits of contracts which shall not be made, varied or discharged without approval of council and confirmation of such approval by an authorized officer | Secretary |
|  | Section 64(3) | Power to authorize an officer to preside first meeting of the council | Minister  |
|  | Section 73(4) | Power to allow record of meeting to which public is excluded from attendance to be open for inspection  | Secretary |
|  | Section 74(2) | Disqualification of a head, convenor or councillor for violation of section any provision of section 74(1) | Chief Minister |
|  | Section 76(2) | Power to prescribe bye-laws for meetings of the council | Minister |
|  | Section 85(2) | Power to receive report on elections and certain other matters from Election Commission | Secretary |
|  | Section 92(2) | Power to request Election Commission to review and reconstitute an electoral unit | Chief Minister |
|  | Section 98 | Power to fix dates for election under this Act | Chief Minister |
|  | Section 113 | Notification of election, resignation and removal of a councillor in official gazette | Secretary |
|  | Section 117(2) | Power to approach Election Commission to seek disqualification of a candidate from contesting an election or a councillor from holding office on being found to be disqualified to be a candidate or councillor | Secretary or an officer authorized by him |
|  | Section 120(2), (3) | Notification of assumption of office by a councillor  | Secretary |
|  | Section 121 | Power to call for and receive declaration of assets from councillors | Secretary |
|  | Section 122(2) | Power to make a complaint to Election Commission on failure to take oath or submit required declarations  | Secretary |
|  | Section 123(2) | Power to receive intimation of resignation from office by a councillor | Secretary |
|  | Section 125(1) | Power to call fresh elections where office of the head of a local government falls vacant | Chief Minister |
|  | Section 127 | Power to appoint an administrator pending elections | Chief Minister |
|  | Section 127(2)(b) | Power to allow establishment of a special fund | Secretary holding portfolio of Finance |
|  | Section 128(1)(l) | Power to place additional sources of income at the disposal of a local government | Cabinet |
|  | Section 129(1)(c) | Power to declare certain expenditure to be an appropriate charge on the local government | Minister  |
|  | Section 132(1) | Power to appoint banks for custody of local, public and other funds of local governments | Secretary holding portfolio of Finance |
|  | Section 133(1)(c) | Power to declare any other manner for investment of surplus funds of local governments | Chief Minister |
|  | Section 134 | Power to take cognizance of wrongful application of moneys by a local government | Secretary |
|  | Section 135(2)(b), (c) | Legal basis for local government expenditure | Sec. LG&CDD |
|  | Section 137(1) | Power to certify estimates of receipts and expenditure in case of failure of the council and head to approve it | Secretary |
|  | Section 139(3) | Power to readjust income and expenditure of a local government in case of failure of head or the council to do so | Secretary |
|  | Section 140(2) | Power to fix minimum expenditure requirements towards a public service on recommendation of Finance Commission | Secretary |
|  | Section 141(1), (2), (3) | Power to review estimates of receipts and expenditures approved by a local government | Secretary |
|  | Section 143, 144 | Power to sanction borrowing of money by a local government and method of raising loan | Minister on recommendation of Secretary holding portfolio of Finance  |
|  | Section 145 | Power to establish Local Development Fund and determine contributions by local governments to the Local Development Fund | Chief Minister |
|  | Section 147(1)(a) | Power to allow application of sums borrowed by a local government to a purpose other than the purpose for which these sums were initially borrowed  | Chief Minister on recommendation of Secretary holding portfolio of Finance |
|  | Section 148(2) | Power to allow resettlement of period and terms of payment of moneys borrowed by a local government | Minister on recommendation of Secretary holding portfolio of Finance  |
|  | Section 149(2) | Power to permit discontinuation of further payments by local government into sinking fund when sums standing at its credit are sufficient to meet repayment requirements | Minister on recommendation of Secretary holding portfolio of Finance |
|  | Section 150(1)(b)(c) | Power to appoint a deposit taking institution or other manner for investing sums of sinking fund | Secretary holding portfolio of Finance |
|  | Section 151(2), (3) | Power to permit gradual readjustment of deficient amounts in sinking fund by a local government | Secretary holding portfolio of Finance |
|  | Section 153(1), (2) | Power to attach local fund of a local government in default of repayment of loan | Minister on recommendation of Secretary holding portfolio of Finance |
|  | Section 154(2) | Power to call for and receive annual statement of moneys borrowed by a local government | Secretary, Secretary holding portfolio of Finance |
|  | Section 155(1)(k) | Power to vest properties in a local government | Cabinet |
|  | Section 157(1) | Power to allow sale or permanent alienation of local government properties | Cabinet |
|  | Section 158(1), (2) | Power to resume a property vested in a local government | Cabinet |
|  | Section 164(2) | Power to suspend unfair tax etc. if a local government fails to comply with order of Finance Commission to remove objection on incidence of tax etc. | Secretary |
|  | Section 177(1) | Power to appoint any agency or officer for collection of local tax | Chief Minister |
|  | Section 178(1), (6) | Power to establish Finance Commission | Chief Minister |
|  | Section 179(4) | Power to prematurely remove certain members of Finance Commission  | Chief Minister |
|  | Section 180(1) | Power to appoint members against casual vacancies occurring in Finance Commission | Chief Minister |
|  | Section 196 | Power to call for and receive a report on fiscal performance of local governments  | Secretary |
|  | Section 201(1) | Power to set aside provincial allocable amounts | Cabinet |
|  | Section 202 | Power to establish formulae for determination of shares *inter se* local governments | Cabinet |
|  | Section 203(1), (2) | Power to make submission to Finance Commission in relation to formulae for determination of shares *inter se* local governments | Minister, Secretary  |
|  | Section 208(2) | Power to call for and receive statement of accounts of a local government | Secretary |
|  | Section 209(2) | Power to call for and receive monthly abstract of accounts of a local government | Secretary |
|  | Section 211 | Power to direct extra-ordinary audits of a local government | Minister, Secretary |
|  | Section 212(1) | Power to call for and receive audit reports | Secretary |
|  | Section 213(2), (3) | Power to call for and receive report from local government on action taken upon the audit report and order remediation of defects | Secretary |
|  | Section 215(3) | Power to authorize officers for making complaint in respect of an offence under section 215 of this Act | Chief Minister |
|  | Section 216(1), (3) | Power to pass instruction as to display of statement of accounts and audit reports for public view, book of objections and suggestions, and call for objections and suggestions from local government | Secretary |
|  | Section 217(1), (2) | Power to determine audit fees to be paid by local governments | Secretary in consultation with Secretary holding portfolio of Finance |
|  | Section 218(6) | Power to issue notice of special meeting of the council to consider removal of head in case of failure of convenor to convene such meeting | Secretary or an officer authorized by him |
|  | Section 223(1), (2) | Power to establish Inspectorate of Local Governments | Chief Minister |
|  | Section 224(1), (3) | Power to call for and receive inspection reports from Inspector General | Secretary |
|  | Section 225(1), (3) | Power to require special inspections and call for and receive inspection reports | Minister, Secretary |
|  | Section 227(3), (4) | Power to call for and receive report on action taken by local governments on inspection report and decide any matter referred to him by a local government or Inspector General in relation to the report | Secretary |
|  | Section 228(3) | Power to notify duties of local governments towards residents of local area. | Minister |
|  | Section 236(1), (2) | Power to prescribe Code of Conduct for councillors and officers etc. of local governments | Chief Minister |
|  | Section 237(1)(c) | Power to direct matters in respect of which local government shall act through a written order | Secretary |
|  | Section 239 | Power to exercise general supervision and control over local governments to ensure that they act in pubic interest and perform their functions strictly in accordance with law | Minister, Secretary  |
|  | Section 240(1)(d) | Power to authorize officers for calling in question the legality of an order etc. of local government. | Chief Minister |
|  | Section 240(2) | Power to receive and decide complaint calling in question legality of an order etc. of local government | Secretary |
|  | Section 241 | Power to authorize officers to attend local government meetings etc | Chief Minister |
|  | Section 242(1) | Power to call for information from a local government | Secretary |
|  | Section 243(1) | Power to hold inquiry into affairs of a local government | Minister, Secretary |
|  | Section 244 | Power to suspend certain resolutions or orders and prohibit certain actions by local government | Secretary |
|  | Section 245(1), (2) | Power to require a local government to take action | Secretary |
|  | Section 246 | Power to withhold transfer of moneys, or impose fine on a local government in case of failure to take action on directions of the Government | Minister |
|  | Section 246(2) | Power to initiate proceedings for removal of a councillor other than a convenor or head for failure to take action on the directions of the Government | Minister |
|  | Section 246(2) | Power to initiate proceedings for removal of a head or convenor for failure to take action on directions of the Government | Chief Minister |
|  | Section 247(1) | Power to the head to take action within a specified period  | Secretary |
|  | Section 247(2) | Power to appoint an officer to take action where the head fails to take action within a specified period  | Chief Minister |
|  | Section 248 | Power to initiate proceedings for suspension or removal of a councillor other than a head or a convenor | Minister |
|  | Section 248 | Power to initiate proceedings for suspension or removal of a head or a convenor  | Chief Minister |
|  | Section 248 | Power to suspend a councillor not being a head or a convenor on account of corruption, gross excess in use of his authority, or conviction in a crime involving moral turpitude  | Minister |
|  | Section 248 | Power to suspend a head or a convenor on account of corruption, gross excess in use of his authority, or conviction in a crime involving moral turpitude  | Chief Minister |
|  | Section 249(1) | Power to initiate proceedings for suspension or dissolution of a council  | Chief Minister |
|  | Section 249(2) | Power to suspend or dissolve a council  | Chief Minister |
|  | Section 250  | Power to appoint an officer or authority for exercising powers and perform duties and functions of the local government and its funds and properties and to call for fresh elections under this Act | Chief Minister |
|  | Section 251 | Power to reinstate a suspended head or convenor | Chief Minister |
|  | Section 251 | Power to reinstate a suspended councillor other than being the head or convenor | Minister |
|  | Section 253 | Power to establish the Commission and fixing remuneration of members | Chief Minister |
|  | Section 255 | Power to prematurely remove certain members of the Commission | Chief Minister |
|  | Section 256 | Power to fill casual vacancies in the Commission | Chief Minister |
|  | Section 264 | Power to fix number of officers and staff of Secretariat of the Commission | Chief Minister |
|  | Section 264(5) | Power to receive and decide a reference from Deputy Commissioner | Secretary |
|  | Section 266(2) | Power to prescribe form and manner of submission of local development plan | Secretary |
|  | Section 267 (2)(f) | Power to initiate proposals for new works etc. | Secretary or any officer authorized by him |
|  | Section 269(1), (3) | Power to issue planning guidelines | Secretary |
|  | Section 270(1) | Power to establish Local Planning Board | Minister |
|  | Section 271(1) | Power to specify timeline for drawing up a land use plan | Minister |
|  | Section 293 | Power to appointment of Enforcement Officers. | Secretary |
|  | Section 299 | Power to fix number and description of officers and servants of the local government | Chief Minister |
|  | Section 299 | Power to notify officers for the purpose of section 299 of this Act | Chief Minister |
|  | Section 301 | Power to specify functional groups within Local Council Service  | Secretary |
|  | Section 303(3) | Appointment of Secretary of the Board | Chief Minister |
|  | Section 304(2) | Power to apportion expenditure of the Board among local governments | Secretary |
|  | Section 306 | Power to approve remuneration, honorarium and allowance etc. for councillors | Cabinet |
|  | Section 307(3) | Power to direct certain information with the local government shall be displayed at a prominent place within the premises of the office of the local government for access by citizens | Secretary |
|  | Section 308 | Power to direct training of councillors | Secretary |
|  | Section 314 | Power to amend fines for offences given in Fouteenth Schedule or add or remove an offence and in the former case, set the fines for that offence | Cabinet |
|  | Section 315 | Power to remove difficulties arising in giving effect to the provisions of this Act | Chief Minister |

**STATEMENT OF OBJECTS AND REASONS**

The Government has decided to reconstitute and revamp local government system in the Punjab aiming at devolving political, administrative and financial responsibility and authority to the elected representatives of the local governments in true spirit; hence this Bill.

**MINISTER INCHARGE**

**Lahore: MUHAMMAD KHAN BHATTI**

**22 April 2019 Secretary**