

Thirteenth Kerala Legislative Assembly
Bill No. 284

THE KERALA PANCHAYAT RAJ (AMENDMENT) BILL, 2014

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2015

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[Translation in English of “2014-ലെ കേരള പഞ്ചായത്ത് രാജ് (ഭേദഗതി) ബിൽ” published under the authority of the Governor]

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further to amend the Kerala Panchayat Raj Act, 1994.

Preamble.—WHEREAS, it is expedient further to amend the Kerala Panchayat Raj Act, 1994 for the purposes hereinafter appearing;

BE it enacted in the Sixty-fifth Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the Kerala Panchayat Raj (Amendment) Act, 2014.

(2) It shall come into force at once.

2. *Amendment of section 214.*—After sub-section (1B) of section 214 of the Kerala Panchayat Raj Act, 1994 (13 of 1994) the following sub-section shall be inserted, namely:—

“(1C) Where the Standing Committee for Finance fails to prepare or does not prepare or causes delay in preparing the budget estimate of the Panchayat, the President shall cause the proposals prepared by the Secretary to be laid before the Panchayat and the Panchayat shall, before the beginning of the ensuing year, pass the budget estimates as proposed by the Secretary with or without modification.”.

STATEMENT OF OBJECTS AND REASONS

As per sub-section (1A) of section 214 of the Kerala Panchayat Raj Act, 1994, the Standing Committee for finance of the Panchayat shall prepare the budget for each year and the Chairman of the said Standing Committee shall, not later than the first week of March, in a special meeting of the Panchayat after the introductory declaration therein by the President regarding the development and welfare works that are proposed to be taken up by the Panchayat, present the same before the Panchayat for its approval. There is no provision in the Kerala Panchayat Raj Act, 1994 as to who shall prepare the budget or who shall

present the budget in the Panchayat Meeting, if the Standing Committee for finance and its Chairman fails to perform this duty. The Government have decided to amend Section 214 of the Kerala Panchayat Raj Act, 1994 for this purpose, incorporating a provision similar to that in Section 290 of the Kerala Municipality Act, 1994.

This Bill is intended to achieve the above object.

FINANCIAL MEMORANDUM

The Bill, if enacted and brought into operation, would not involve any additional expenditure from the Consolidated Fund of the State.

M. K. MUNEER

EXTRACT OF THE RELEVANT PORTIONS FROM THE
KERALA PANCHAYAT RAJ ACT, 1994
(13 OF 1994)

214. *Preparation and sanction of Budget.*—(1) Subject to such directions as may be issued by Government from time to time and rules as may be prescribed, the budget proposals containing detailed estimate of income and expenditure expected for the next year including the expenditure on the development plans prepared and sanctioned under section 175 shall be prepared by the respective Standing Committee considering the estimates and proposals submitted by Secretary and the officers dealing with the respective subjects; before the 15th January every year and the same shall be submitted to the Standing Committee for finance.

(1A) The Standing Committee for finance, after considering the proposals submitted under sub-section (1) and all the requirements under this Act shall prepare a budget showing the income and expenditure of the Panchayat for the ensuing year and the Chairman of the said Standing Committee shall, not later than the first week of March, in a special meeting of the Panchayat after the introductory declaration therein by the President regarding the development and welfare works that are proposed to be taken up by the Panchayat, present the same before the Panchayat for its approval.

(1B) The Panchayat shall consider the budget proposals and finally pass the budget estimate with alterations if any, before the beginning of the year to which it relates.

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(2) The working balance shown in the budget shall not be less than five per cent of the current year's estimated receipts, excluding receipts from endowments, Government grants, contributions and debt account.

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