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## PROVINCIAL ASSEMBLY OF THE PUNJAB NOTIFICATION

October 20, 2025

No. PAP/Legis-2(37)/2025/555. The Punjab Local Government Bill 2025, having been passed by the Provincial Assembly of the Punjab on October 13, 2025, and assented to by the Governor of the Punjab on October 20, 2025, is hereby published as an Act of the Provincial Assembly of the Punjab.

## THE PUNJAB LOCAL GOVERNMENT ACT 2025

### ACT LXXX OF 2025

*[First published, after having received the assent of the Governor of the Punjab, in the Gazette of the Punjab (Extraordinary) dated October 20, 2025.]*

An

Act

*to reconstitute local governments in the Punjab and consolidate laws relating to powers and functions of the local governments.*

It is expedient to reconstitute and strengthen the local governments as third tier of the Government and consolidate laws relating to powers and functions of local governments for establishing an effective elected local government system for meaningful devolution of political, administrative and financial responsibility and authority to the elected representatives of the local governments as envisaged under Article 140A of the Constitution; to promote good governance, effective delivery of services and transparent decision making through institutionalized participation of the people at local level; and to deal with the ancillary matters.

It is hereby enacted by Provincial Assembly of the Punjab as follows:

**PART 1**  
**PRELIMINARY**  
**CHAPTER - I**  
**INTRODUCTION**

**1. Short title, extent and commencement.**— (1) This Act may be cited as the Punjab Local Government Act 2025.

(2) It shall extend to whole of the Punjab except:

- (a) the areas notified as cantonments under the Cantonments Act, 1924 (II of 1924), or the Cantonments Ordinance, 2002 (CXXXVII of 2002), or such other areas under active possession and direct control of the Armed Forces of Pakistan that may be notified by the Government for this purpose; and
- (b) the area exempted by the Government from any or all of the provisions of the Act through a notification in the official Gazette.

(3) It shall come into force at once except clause (k) of subsection (1) of section 27, sections 28, 29, 30 and 31 which shall come into force on such date as the Government may, by a notification in the official Gazette, appoint.

**2. Definitions.**— (1) In the Act:

- (a) "Act" means the Punjab Local Government Act 2025;
- (b) "administration" means administration of a local government other than Union Council, comprising of such officers of the prescribed service and servants of local government; and in case of Union Council, such employees of Union Councils, as may be determined by the Secretary, with the approval of the Minister, in the schedule of establishment of the respective local government;
- (c) "Auditor-General" means the Auditor-General of Pakistan appointed under Article 168 of the Constitution;
- (d) "Board" means the Punjab Local Government Board;
- (e) "budget" means the estimate of expected receipts and expenditure of a local government for a given financial year, and as the case may be, includes the estimate of receipts and expenditure of constituent offices, entities and agencies of that local government;
- (f) "building control" means implementation of a set of standards and regulatory framework established and enforced by a local government, for the safety of a building and its surrounding environment;
- (g) "bye-laws" means the bye-laws made by a local government under the Act;
- (h) "candidate" means a candidate for election under the Act;
- (i) "census" means a population and housing census provisionally or finally published under the General Statistics (Reorganization) Act, 2011 (XIV of 2011), whichever is later;
- (j) "Chief Officer" means the officer in charge of the administration of the Town Corporation, Municipal Corporation, Municipal Committee and Tehsil Council including officer in charge of a CO Unit;
- (k) "CO Unit" means a sub-office of a Tehsil Council administration established for performance of its functions in an urban area;
- (l) "Code" means the Code of Criminal Procedure, 1898 (V of 1898);
- (m) "Collector" means a Revenue Officer appointed under the Punjab Land Revenue Act, 1967 (XVII of 1967);
- (n) "Commission" means the Punjab Local Government Commission constituted under the Act;
- (o) "committee" means a committee constituted under the Act;
- (p) "Constitution" means the Constitution of the Islamic Republic of Pakistan;
- (q) "Council" means the Council of the local government comprising elected members of a local government;
- (r) "defunct local government" means a local government constituted under any local government law that existed prior to the commencement of the Act;
- (s) "Department" means the Local Government and Community Development Department of the Government;

- (t) "Development Authority" means the Development Authority or an Agency constituted under any law for the time being in force and performing similar functions assigned to the local governments under the Act;
- (u) "Directorate General" means the Directorate General of the Department;
- (v) "Directorate General (Inspections and Monitoring)" means the Directorate General of Inspections and Monitoring of the Board;
- (w) "disabled person" means a disable person as defined under the Punjab Empowerment of Persons with Disabilities Act 2022 (XLII of 2022) or any other law on this subject for the time being in force;
- (x) "District" means a District notified under the Punjab Land Revenue Act, 1967 (XVII of 1967);
- (y) "elective office" means the office of a local government against which a Head, Deputy Mayor, Vice Chairperson or a member is elected;
- (z) "elected official" means a Head of local government, Deputy Mayor, Vice Chairperson or a member;
- (aa) "Elections Act" means the Elections Act, 2017 (XXXIII of 2017);
- (bb) "Election Commission" means the Election Commission of Pakistan established under Article 218 of the Constitution;
- (cc) "Election Tribunal" means the Election Tribunal constituted by the Election Commission;
- (dd) "emergency" means the circumstances imminently endangering public health, safety, life or significant or largescale harm to property requiring an immediate action;
- (ee) "fee" means the fee against specific services provided by a local government and includes a regulatory fee for regulation of a business or activity;
- (ff) "Finance Commission" means the Punjab Local Government Finance Commission constituted under the Act;
- (gg) "financial year" means the year commencing on the first day of July and ending on the thirtieth day of June;
- (hh) "Government" means the Government of the Punjab;
- (ii) "government agency" means a department, office, authority, body, company, entity or institution of the Government or the Federal Government;
- (jj) "Head" means Mayor of a Town Corporation or a Municipal Corporation or Chairperson of a Municipal Committee or a Tehsil Council or a Union Council;
- (kk) "House" means the elected Council of a local government;
- (ll) "joint authority" means a joint authority established under the Act;
- (mm) "land use" means the human use of land, to represent the economic and cultural activities and includes agricultural, commercial, residential, industrial, mining, and recreational use;
- (nn) "land use control" means exercise of power to restrict private and public use of land and natural resources to conform to master plan;
- (oo) "land use plan" means a plan drawn up and approved by a local government or any government agency competent to draw up and approve which provides the actual land use and proposed land use for permitted, permissible and prohibited development activities, both in the planned areas and non-planned areas within the local area of a local government;
- (pp) "local area" means the area comprising territorial jurisdiction of a local government under the Act;
- (qq) "local government" means a Town Corporation, a Municipal Corporation, a Municipal Committee, a Tehsil Council, and a Union Council constituted under the Act;
- (rr) "master plan" means a dynamic long term planning and policy document that provides a conceptual lay out to guide future growth and development of a local area and includes analysis and evaluation of standards, proposals for population, economy, housing, transportation, community facilities and land use;
- (ss) "member" means an elected member of a local government and a member elected against a reserved seat;
- (tt) "Minister" means the Minister in charge of Local Government and Community Development;

- (uu) "peasant" means a person who is a landless farm worker or one who during the period of five years preceding the year in which election is held, has been the owner of not more than five acres of land, and depends directly on it for subsistence living;
- (vv) "Political Party" means a Political Party as defined in the Elections Act;
- (ww) "prescribed" means prescribed by the rules or bye-laws made under the Act;
- (xx) "prescribed service" means the Punjab Local Government Service, Provincial Management Service, or Pakistan Administrative Service, whether called by this or any other title;
- (yy) "Province" means Province of the Punjab;
- (zz) "provincial allocable amount" means the sums allocated out of the Provincial Consolidated Fund under the Act as a share for transfer to a local government under the Act;
- (aaa) "public service" means a service provided by a local government in relation to its functions;
- (bbb) "rent" means whatever is lawfully payable in money or kind by a tenant or lessee on account of the occupation of any building or land or use of any machinery, equipment or vehicle;
- (ccc) "reserved seat" means a seat reserved for religious minorities, women, peasants or workers, youth, technocrat and disabled person;
- (ddd) "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 person from outside that area who regularly use facilities or services provided by that joint authority;
- (eee) "rules" means the rules made under the Act;
- (fff) "Schedule" means the Schedule appended to the Act;
- (ggg) "Secretary" means the Secretary as defined in the Punjab Government Rules of Business, 2011, and where no suffix is mentioned therewith, it shall mean the Secretary in charge of the Department;
- (hhh) "Secretary Union Council" means an official in charge of the administration of a Union Council;
- (iii) "servant" means an employee of a local government;
- (jjj) "solid waste" means the solid waste generated within the area of the local government except the solid waste from a slaughterhouse, hazardous hospital or hazardous industrial waste but includes domestic waste, commercial waste including market waste, institutional waste, street sweeping waste, garden waste, solid waste collected from a drain or watercourse in an urban area;
- (kkk) "Speaker" means the Speaker of the House of the local government;
- (III) "technocrat" means a person holding a degree requiring conclusion of at least sixteen years of education, recognized by the Higher Education Commission and has a professional experience of not less than five years in public or municipal administration, urban planning, public finance, public policy, law, education, public health, commerce, engineering, information technology or any other area relating to functions of the local government;
- (mmm) "tehsil" means an area notified as tehsil under the Punjab Land Revenue Act, 1967 (XVII of 1967);
- (nnn) "worker" means a person who primarily depends upon personal labour for subsistence, and:
  - (i) has been a member of a registered trade union or labour organization for at least a year preceding the submission of his nomination papers; or
  - (ii) has been registered with Punjab Employee's Social Security Institution for at least a year preceding the submission of his nomination papers; or
  - (iii) has been registered with Employees' Old-Age Benefits Institution for at least a year preceding the submission of his nomination papers; and
- (ooo) "youth" means a person who is not less than eighteen years of age and not more than thirty-five years of age on the last date fixed for filing of nomination papers.

(2) A word, term or expression used but not defined in the Act shall have the same meaning as assigned to it in the Constitution or other applicable laws for the time being in force.

## CHAPTER - II SUCCESSION OF LOCAL GOVERNMENTS

3. Succession of the defunct local governments.— (1) Each local government shall succeed:

- (a) such property of a defunct local government located within its local area which, in view of the Secretary, is required by it for the due discharge of any function under the Act;
- (b) such officers and servants of a defunct local government who, in the view of the Secretary, are required by it for the discharge of any function under the Act; and
- (c) such rights, fund, claim or liability or portion thereof which, in the view of the Secretary, was respectively raised, made or accrued by a defunct local government in relation to areas comprising its local area.

(2) Subject to subsection (3), the Secretary, after approval from the Minister, shall, having regard to the circumstances appertaining to each case, determine the share of a local government where:

- (a) any property of a defunct local government is required by two or more local governments for the discharge of a function under the Act;
- (b) any officer or servant of a defunct local government is required by two or more local governments for the discharge of a function under the Act; and
- (c) 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.

(3) No local government shall, unless otherwise provided by the Secretary with the approval of the Minister, succeed to 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 the Act:

Provided that all properties, rights, funds, claims and liabilities of a defunct local government which pertain to a function not assigned to any local government under the Act shall be succeeded by the Government:

Provided further that the process of succession shall be completed before assumption of office of elected local governments.

(4) The Secretary, after approval from the Minister, shall, by a general or special order, provide for the manner of succession and discharge of liabilities, if any, of a defunct local government.

(5) The Secretary, after approval from the Minister, 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 the Secretary.

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

## CHAPTER - III

### OVERRIDING EFFECT AND REMOVAL OF DIFFICULTIES

4. Act to override other laws.— The provisions of the Act shall have effect notwithstanding anything contained in any other law for the time being in force.

5. Removal of difficulties.— (1) The Government may, by an order not inconsistent with the Act, provide for the removal of any difficulty which may arise in giving effect to the provisions of the Act.

(2) Subject to subsection (1), wherever the Act requires anything to be done but does not provide 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 officer and in such manner, as may be approved by the Government.

**PART 2**  
**CONSTITUTION AND FUNCTIONING OF LOCAL GOVERNMENTS**  
**CHAPTER IV**  
**DEMARCATION, CONSTITUTION, CLASSIFICATION AND DELIMITATION OF LOCAL**  
**GOVERNMENTS**  
**AND REVIEW OF LOCAL AREAS**

**6. Demarcation of local areas.**— (1) The Government shall, in the prescribed manner, by an order published in the official Gazette:

- (a) divide the whole area of a District, except the areas excluded under subsection (2) of section 1 of the Act, into urban and rural areas: provided that the entire Lahore district shall be urban area;
- (b) identify and demarcate the limits of each local area, for the purposes of constituting local governments for such local areas;
- (c) classify each local area subject to the provisions of section 7 of the Act;
- (d) assign name to each local area; and
- (e) classify an area, in a Tehsil, as urban area of respective Tehsil Council, which is not classified under section 7 of the Act.

(2) As far as may be, each local area shall be compact, contiguous and constitute a territorial unity.

- (3) Each local area shall consist of one or more entire revenue estates.
- (4) Each local area shall constitute territorial jurisdiction of the respective local government.

**7. Constitution and classification of local governments.**— (1) The Government shall, by notification in the official Gazette, constitute local governments comprising the demarcated local areas as per the following classification:

- (a) one or more Town Corporations for an urban area having a population above seven hundred thousand, as may be notified by the Government;
- (b) Municipal Corporation for an integrated urban area in a district, having population above two hundred thousand;
- (c) Municipal Committee for an integrated urban area in a district having population above twenty-five thousand upto two hundred thousand; and
- (d) Tehsil Council comprising of rural area of a tehsil and urban area not classified above.

(2) Notwithstanding anything to the contrary contained in subsection (1), the Government may, by notification in the official Gazette, declare:

- (a) an integrated urban area at each tehsil headquarter having a population less than twenty-five thousand to be a Municipal Committee; and
- (b) an integrated urban area in Tehsil Murree to be a Municipal Corporation, due to heavy influx of tourists.

(3) Every local government shall be a body corporate having perpetual succession and a common seal, and, subject to the provisions of the Act, shall have 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.

**8. Delimitation of Union Councils.**— (1) The Government shall, by notification in the official Gazette, determine the number of Union Councils to be constituted in a Town Corporation, a Municipal Corporation, a Municipal Committee, and a Tehsil Council.

(2) Election Commission shall delimit and notify the Union Councils in the prescribed manner, on the basis of the principles laid down in section 9 of the Act, as nearly as possible under the Elections Act.

**9. Principles of delimitation of Union Councils.**— (1) A Union Council shall be an area consisting of one or more census blocks.

- (2) For purposes of delimitation of a Union Council:
  - (a) the area of a Union Council shall be a territorial unit;
  - (b) the boundaries of a Union Council shall not cross the limits of the Town Corporation, a Municipal Corporation, a Municipal Committee, or a Tehsil; and

(c) the population of Union Councils within a local government shall, as far as possible, be uniform;

**10. Coordination with Election Commission for delimitation.**—(1) The Deputy Commissioner shall coordinate and facilitate the Election Commission in whole process of delimitation and provide required details about the local area of each local government demarcated under section 6 of the Act in identifying the distribution of population in geographically compact areas, physical features, existing boundaries of administrative units, facilities and modes of communication and public convenience and other cognate factors to ensure homogeneity in the delimitation of Union Councils.

(2) The Deputy Commissioner shall provide to the Election Commission all notifications of local areas showing notified population along with their census block codes and copies of authenticated maps of local governments showing the clear boundaries.

(3) The Government shall, by notification 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 place where its office is situated.

**11. Periodic review of local areas.**—(1) After every ten years from the commencement of the Act, the Commission shall review all local areas in the Province, except Union Councils, and if required, recommend to the Government extension, curtailment or otherwise alteration in 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.

(3) The Government may approve the 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.

**12. Power of the Chief Minister to direct special reviews.**—(1) Notwithstanding the provisions of section 11 of the Act, where the Chief Minister, upon request of the Commission or a resolution of one or more local governments, except Union Council, approved by not less than two-third of their respective members for the time being in office, or upon creation of new district or tehsil by the Government, considered that a special review of all or one or more local areas is necessary, he may, at any time, direct the Commission to conduct a special review of the indicated local areas.

(2) Any alteration in one or more local areas as a result of special review under subsection (1), shall be notified in the official Gazette.

**13. Procedure for review of local areas.**—(1) The review or a special review under sections 11 and 12 of the Act shall be conducted in the prescribed manner, for division, amalgamation or alteration in the limits of a local area and its reclassification.

(2) 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, the Secretary shall, by an order, specify the extent to which a new, reconstituted or re-classified local government shall succeed the local government so divided, amalgamated or reconstituted.

(3) No division, amalgamation, reconstitution or re-classification of a local government under this section shall be ordered unless a period of not more than six months remains in the term of the respective Council.

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

**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 versa.

**CHAPTER V**  
**COMPOSITION AND STRUCTURE OF LOCAL GOVERNMENTS**

**14. Composition of local government.**— (1) A local government shall consist of :

- (a) Head;
- (b) Deputy Mayor or Vice Chairperson, as the case may be;
- (c) members of respective local government as given in sections 15, 16, 17, 18, 19 and 20 of the Act; and
- (d) an administration as defined in clause (b) of subsection (1) of section 2 of the Act, under the administrative control and supervision of Head of the local government.

(2) The Secretary, with the approval of the Minister, may establish one or more CO Units in urban area of a Tehsil Council for performance of its functions.

(3) The Vice Chairperson of a Municipal Committee shall act as Speaker of the House.

(4) In case of Town Corporation, Municipal Corporation and Tehsil Council, the Deputy Mayors or Vice Chairpersons shall act as Speaker, on rotation basis, for a period of six months.

Provided that the Deputy Mayor or Vice Chairperson, senior in age, shall be the first Speaker.

(5) The Vice Chairperson of a Union Council shall act as Speaker of the House.

**15. Union Council.**— (1) A Union Council shall consist of nine general members and the following four members on reserved seats:

- (a) one woman member;
- (b) one peasant member in a rural Union Council or one worker member in an urban Union Council;
- (c) one youth member; and
- (d) one non-Muslim member.

(2) Chairperson and Vice Chairperson of a Union Council shall be from amongst the members of Union Council.

**16. Tehsil Council.**— A Tehsil Council shall consist of the following:

- (a) Chairperson and two Vice Chairpersons;
- (b) Chairpersons of all Union Councils in its local area as *ex-officio* general members; and
- (c) reserved members, as specified in Part A of First Schedule.

**17. Town Corporation.**— A Town Corporation shall consist of:

- (a) Mayor and two Deputy Mayors;
- (b) Chairpersons of all Union Councils in its local area as its *ex-officio* general members; and
- (c) reserved members, as specified in Part A of First Schedule.

**18. Municipal Corporation, except Murree.**— The Municipal Corporation, except Murree shall consist of:

- (a) Mayor and two Deputy Mayors;
- (b) Chairpersons of all Union Councils in its local area as its *ex-officio* general members; and
- (c) reserved members, as specified in the Part A of First Schedule.

**19. Municipal Corporation Murree.**— Municipal Corporation Murree shall consist of:

- (a) Mayor and Two Deputy Mayors; and
- (b) *ex-officio* general members and members on reserved seats, as specified in the Part B of First Schedule.

**20. Municipal Committee.**— A Municipal Committee shall consist of:

- (a) Chairperson and Vice Chairperson; and
- (b) *ex-officio* general members and members on reserved seats, as specified in the Part B of First Schedule.

## CHAPTER - VI

### AUTHORITY OF LOCAL GOVERNMENTS

**21. 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 contrary to the exercise of executive authority of the Government.

**22. General authority and responsibility of a local government.**— (1) Subject to and to the extent given under the Act, every local government shall have the authority to run the affairs of its respective local area without 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 any favour or prejudice in a democratic and accountable manner;
- (b) involve residents in running its affairs and from time to time consult them on the level, quality, range and impact of services; and
- (c) give equitable access to services.

**23. 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 the Act or any other law for the time being in force.

(2) Subject to the provisions of the Act, the authority of a local government shall extend to 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 the Act or any other law for the time being in force.

**24. Assignment of additional responsibilities by the Government.**— Nothing in the Act shall prevent the Government from assigning any function to a local government which is not included in its power and functions.

**25. Manner of exercise of authority by a local government.**— (1) Subject to the provisions of the Act, the executive authority of a local government shall vest in and be exercised by its Head in accordance with the Act.

(2) A Deputy Mayor or a Vice Chairperson shall generally exercise such powers and perform such functions as may be delegated to them by the Head.

(3) In case of temporary absence of the Head, the Deputy Mayor or the Vice Chairperson nominated by the Head shall deputize his office.

Provided that in case the Head is unable to nominate due to inadvertent circumstances, the Deputy Mayor or the Vice Chairperson, senior in age shall deputize.

(4) The Head may direct, guide or supervise officers and servants of a local government.

(5) The Council and its committees and sub-committees shall act through resolutions in accordance with the provisions of the Act.

(6) All acts and orders of a local government shall be expressed to be taken or made in its name.

## CHAPTER - VII

### FUNCTIONS OF LOCAL GOVERNMENTS

**26. Functions and powers of Town Corporation, Municipal Corporation, a Municipal Committee and Tehsil Council.**— Subject to section 21 of the Act, a Town Corporation, a Municipal Corporation, a Municipal Committee and a Tehsil Council shall:

- (a) enforce all municipal laws, rules and bye-laws governing its functioning;
- (b) approve and collect taxes, fees, rates, rents, tolls, charges, fines and penalties;
- (c) execute and manage development plans;
- (d) prepare and approve budget, revise budget and annual and long term development plans;
- (e) prepare financial statements and present them for internal and external audit in the manner as may be prescribed;

- (f) authorize an officer or officers to issue notice to a person committing any municipal offence and initiate legal proceedings for continuance of commission of such offence or for failure to comply with the directions contained in such notice;
- (g) prosecute, sue and follow up criminal, civil and recovery proceedings against violators of municipal laws in the courts of competent jurisdiction;
- (h) maintain a comprehensive database and information system and provide public access to it;
- (i) maintain municipal records and archives and ensure public access to information;
- (j) create awareness to the local community for taking preventive measures on the assigned functions including health, pandemics, population control and social issues;
- (k) approve and execute intra town or intra tehsil development schemes;
- (l) prepare, approve and enforce spatial plans, master plans, zoning, land use plans, including classification and reclassification of land, urban design and urban renewal;
- (m) exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce, markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
- (n) approve and regulate private housing schemes in the manner prescribed;
- (o) exercise building control;
- (p) provide, manage, operate, maintain and improve municipal infrastructure and services, including –
  - (i) water supply and control and development of water sources;
  - (ii) sewage and sewage treatment and disposal;
  - (iii) storm water drainage;
  - (iv) sanitation and solid waste collection and disposal of solid wastes, treatment and disposal including landfill site and recycling plants;
  - (v) roads and streets;
  - (vi) public transport and mass transit systems, construction of express ways, fly-overs, bridges, roads, under passes, traffic planning, engineering and management including traffic signaling systems, signs on roads, street markings,
  - (vii) firefighting;
  - (viii) street lighting;
  - (ix) parks, playgrounds, open spaces;
  - (x) parking stands;
  - (xi) graveyards;
  - (xii) arboriculture;
  - (xiii) parking places;
  - (xiv) transport stations, stops, stands and terminals;
  - (xv) slaughterhouses subject to adherence of special laws, rules and regulations pertaining to establishment of slaughterhouses and slaughtering of animals;
  - (xvi) municipal libraries; and
  - (xvii) community and cultural centers;
- (q) organize town or tehsil council level sports, cultural, recreational events, fairs and shows, cattle fairs;
- (r) celebrate public events;
- (s) assist in provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity and assist relevant authorities in relief activities;
- (t) undertake urban design, urban renewal and regeneration programmes;
- (u) undertake landscape, monuments and municipal ornamentation;

- (v) plant trees for afforestation at local level;
- (w) manage properties, assets and funds vested in the local government;
- (x) lease and rent out properties owned or otherwise vested in, managed or maintained by the local governments;
- (y) establish and promote, incubation centers for startups of cottage, small and medium size enterprises;
- (z) name and rename roads, streets and public places vested in, managed or maintained by the local governments;
- (aa) regulate affixing of sign-boards and advertisements except where this function is being performed by the Punjab Horticulture Authority;
- (bb) establish, organize and maintain cattle markets, and regulate sale of animals through Punjab Cattle Market Management and Development Company, subject to condition that fifty percent of the net income generated by the Company shall be transferred to the local governments, in the proportion as may be notified by the Secretary with the approval of Minister;
- (cc) establish and maintain public markets, bazars and street vendors;
- (dd) regulate private markets and services and issue licences, permits, grant permissions and impose penalties for violation thereof as and where applicable; and
- (ee) prevent and remove encroachment from public lands and properties owned or otherwise vested in, managed or maintained by the local governments.

**27. Functions and powers of Union Council.**— (1) Subject to section 21 of the Act, the functions and powers of Union Council shall be to:

- (a) enforce the Act, rules and bye-laws governing its functioning;
- (b) register births, deaths, marriages and divorces;
- (c) manage properties, assets and funds vested in it;
- (d) prepare and approve its budget;
- (e) approve, collect and impose taxes, fees, rates, rents, charges, fines and penalties;
- (f) levy and collect betterment fee for developing municipal infrastructure or provision of municipal services in its local area, through development scheme to be executed and maintained by its upper tier local government;
- (g) plant trees;
- (h) celebrate public festivals;
- (i) maintain statistics on matters of public interest;
- (j) assist its upper tier local government;
- (k) settle the disputes amicably amongst the people in their respective local areas through a Dispute Resolution Committee consisting of not less than five and not more than nine of its members, to be constituted by the Chairperson;
- (l) identify deficiencies in delivery of municipal services by its upper tier local government, receive complaints and pursue to resolve issues, including:
  - (i) water supply, filtration plants, sewerage, drains, solid waste collection and disposal;
  - (ii) maintenance of streets, street lights, roads and culverts; and
  - (iii) encroachments on public ways.

(2) A Union Council may perform any other function entrusted to it by the Government or its respective upper tier local government:

Provided that no function or responsibility shall be entrusted without allocation of corresponding resources and funds.

**28. Dispute resolution by Union Council.**— (1) A Union Council may use its offices to achieve the amicable settlement of disputes amongst the people in its respective local area.

(2) A Union Council may, on its own or on a reference of a dispute of civil, family or criminal nature by any person of the local area, or where the parties to the dispute have themselves agreed, proceed to settle the dispute amicably.

(3) The Union Council shall make efforts for amicable settlement of the dispute between the parties and it shall record its findings through agreement between the parties.

(4) If, in the opinion of the Union Council, a party to the dispute willfully obstructs settlement of such dispute, it may record its findings to that effect and decline to proceed.

(5) The Union Council shall not assume jurisdiction in a non-compoundable offence.

(6) Every settlement of a dispute by Union Council in a case pending before a court shall be subject to the approval of such court.

**29. Conflict of interest of a member.**—A member of a Union Council shall not take part in the proceedings of dispute resolution, if he has any conflict of interest.

**30. Referral of dispute by court.**—(1) A court may, with the mutual consent of the parties, refer a dispute to a Union Council functioning within its territorial jurisdiction for amicable settlement of the dispute.

(2) The court making a reference to the Union Council may lay down the procedure for summoning the parties to the dispute, the terms of reference, the period during which settlement is to be made, the manner in which report of the settlement is to be submitted and such other matters as it may deem appropriate for resolution of the dispute.

(3) Where, on a reference made by the court, the dispute is settled between the parties, the court may make such settlement as a ruling of the court.

(4) The Union Council shall inform the court if the dispute is not settled within the time fixed by the court or may ask for extension in time for settlement of the dispute.

**31. Referral of dispute by officer in charge of a police station.**—An officer in charge of a police station may refer a compoundable case to a Union Council, for amicable settlement of dispute between the parties.

### CHAPTER – VIII FUNCTIONS IN RELATION TO THE AUTHORITIES ETC.

**32. Functions and powers in relation to the authorities, agencies and entities in the local governments.**—(1) Any office, agency, authority or entity established or maintained by the Government, which at the commencement of the Act is providing public services or discharging other duties in relation to the functions of a local government, shall be transferred on the recommendation of the Commission to the respective local government.

(2) Till such time, any office, agency, authority or entity is transferred under subsection (1), not less than twenty-five percent of the gross revenue generated by the concerned office, agency, authority or entity in performance of function related to regulation of land-use, building control and private housing schemes under subsection (1) shall be shared with the local government.

(3) No office, agency, authority or entity shall extend the boundaries of its existing controlled area without the consent of the concerned local government.

(4) For the performance of the functions under this section, the concerned local government and the office, agency, authority or entity shall hold mandatory public hearings before placing the matter before the House of concerned local government.

### CHAPTER – IX DISTRICT LOCAL GOVERNMENT AUTHORITIES FOR THE DEVOLVED DISTRICT LEVEL OFFICES

**33. Exercise of functions and powers in relation to the devolved district level offices of the Government departments.**—(1) The Government may, through a notification published in the official Gazette, devolve following district level offices of the Government departments to the local governments in a district:

- (a) Health (Primary and Preventive care);
- (b) Education (School Education to the extent of primary education and school enrollment);
- (c) Social Welfare;

- (d) Population Control;
- (e) Sports;
- (f) Transport (Local Transport & Traffic Planning);
- (g) Civil Defence;
- (h) Public Health Engineering;
- (i) Arts & Culture; and
- (j) Tourism.

(2) The devolved offices shall be administered, operated and managed at the district level, through the respective District Authority established under the Act.

(3) The respective District Authority shall exercise authority within the district in accordance with the general policy of the Government.

**34. District Authorities.**— (1) For each devolved district level office of a Government department, a separate District Authority shall be established by the Government in each district through a notification published in official Gazette, as follows:

- (a) a District Primary and Preventive Health Authority for the devolved function of district level office of Health and Population Department;
- (b) District Primary Education Authority for the devolved function of district level offices of School Education Department to the extent of primary education and school enrollment;
- (c) District Social Welfare Authority for the devolved function of district level office of Social Welfare & Bait-ul-Maal Department;
- (d) District Family Planning Authority for the devolved function of district level office of Population Welfare Department;
- (e) District Sports and Recreation Authority for the devolved function of district level office of Youth Affairs & Sports Department;
- (f) District Local Public Transport and Traffic Planning Authority for devolved office of Transport Department;
- (g) District Civil Defense Authority for devolved office of Civil Defense;
- (h) District Authority for devolved office of Housing, Urban Development and Public Health Engineering Department;
- (i) District Arts & Culture Authority for devolved office of Information and Culture Department;
- (j) District Tourism Authority for devolved office of Tourism, Archaeology and Museums Department; and
- (k) any other District Authority established by the Government, for each district level office of a Government department, which is notified to have been devolved on the local governments.

(2) The devolved district level office of a Government department under this section shall receive its funds from provincial allocable amount.

**35. Composition and management of District Authorities.**— (1) The administration, operation and management of the respective District Authority shall vest in its Executive Board, comprising:

- (a) the Head of population wise largest local government in a district as first Chairperson of all the District Authorities for a period of four months and afterwards the Head of the next population wise largest local government for another period of four months and so on:  
Provided that in the absence of the Chairperson, the Head of the next largest local government shall act as Chairperson;
- (b) Deputy Commissioner of the district as member of all the District Authorities;
- (c) all the Heads of the local governments except the Union Council, in the district, as the members;
- (d) Chief Executive Officer of the District Authority as member and Secretary of the Executive Board;
- (e) Director or Deputy Director of the Directorate General as member;
- (f) District Attorney of the concerned district as member; and
- (g) any other member as may be co-opted by the Chairperson.

(2) The District Authority shall be responsible for management and supervision of the respective devolved office and its public service delivery.

(3) The District Authority shall be a body corporate having perpetual succession and a common seal, with power to acquire and hold property and enter into any contract and may sue and be sued in its name.

(4) The Departmental District Head of each devolved district level office of the respective Government department shall be the *ex-officio* Chief Executive Officer of the Authority.

(5) The Chief Executive Officer shall be the Principal Accounting Officer of the Authority and shall perform such functions as are mentioned in the Act or as may be prescribed or as may be delegated by the District Authority or as the Government may assign.

(6) The district office of each devolved district level office of the respective Government department shall be the secretariat of the respective District Authority.

**36. Performance of functions by the District Authorities.**— (1) The respective District Authority shall perform all the functions of the district level office of the respective Government departments devolved on the local government to carry out purposes of the Act.

(2) In particular and without prejudice to the generality of the foregoing powers, a District Authority shall:

- (a) establish, manage and supervise all the facilities and institutions of the respective devolved office;
- (b) approve the budget of the Authority and allocate funds to the institutions under its administrative control;
- (c) provide stewardship, ownership and oversight of service delivery of the devolved office;
- (d) coordinate planning and allocate finances for provision of service delivery at district level;
- (e) develop linkages between private and public sectors for enhancing access and coverage of service facilities to the general public and improving quality of these services;
- (f) coordinate emergency response during any natural calamity or emergency;
- (g) ensure human resource management and capacity development of service delivery personnel;
- (h) ensure performance based contracts with service delivery managers as per prescribed indicators;
- (i) monitor, exercise oversight and performance evaluation of service delivery managers as per agreed performance indicators either directly or through a third party;
- (j) liaise with the Government for technical and logistic support in case of any emergency or disaster;
- (k) implement policies and directions of the Government including achievement of key performance indicators set by the Government for the respective devolved function;
- (l) ensure implementation of minimum service delivery standards, infrastructure standards, as prescribed by the Government; and
- (m) perform any other function as may be assigned by the Government.

(3) In the performance of their functions, the District Authorities shall adhere to the laws governing the functions of the devolved offices.

## CHAPTER – X

### MODE OF DISCHARGE OF FUNCTIONS BY THE LOCAL GOVERNMENTS AND JOINT AUTHORITIES.

**37. Discharge of functions by local governments.**— (1) Subject to subsection (2), a local government may discharge its functions through one or more of the following:

- (a) an officer or servant of the local government;
- (b) a joint authority established under the Act;
- (c) another local government by mutual agreement;

- (d) an office, authority, company or agency owned or operated by the Government or federal Government, by mutual agreement;
- (e) Public Private Partnership; and
- (f) otherwise contracting out.

(2) 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 power or duty to enforce any law.

(3) Where a local government discharges any of its functions under clause (d) of subsection (1), it may also entrust its power to award administrative and any other penalties against the offence committed in relation to performance of the said function.

**38. Delegation of functions to Union Councils.**— (1) A Town Corporation, Municipal Corporation, Municipal Committee and a Tehsil Council may, by a mutual agreement, delegate one or more of its functions or one or more public services relating to any such function, to a Union Council.

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

**39. Establishment of joint authorities.**— Two or more local governments may establish a joint authority by an agreement, for the provision of one or more of such public services which relate to functions assigned to them under the Act and, to oversee the functions of the joint authority, the constituting local governments may establish a joint Committee, in such manner as may be prescribed.

**40. District Municipal Coordination Forum.**— (1) There shall be a District Municipal Coordination Forum, in each district, consisting of following members:

- (a) the Head of population wise largest local government in a district as first Chairperson for a period of four months and afterwards the Head of the next population wise largest local government for another period of four months and so on:  
Provided that in the absence of the Chairperson, the Head of the next largest local government shall act as Chairperson;
- (b) Deputy Commissioner of the district as member;
- (c) Heads of all local governments in the district, except Union Councils, as member;
- (d) District Police Officer as member; and
- (e) Chief Officer of all local governments, except Union Council, in the district;
- (f) Deputy Director of the Department as member and Secretary; and
- (g) any other member as may be co-opted by the Chairperson.

(2) The District Municipal Coordination Forum shall:

- (a) establish coordination between the local governments and the provincial or federal agencies, in respect of matter which relates to or affects the work of one or more provincial or federal agencies in the district;
- (b) establish coordination between one or more local governments and a cantonment adjoining such local government, for cooperation in respect of integrated services relating to provision of sanitation, water supply, sewerage collection and disposal and similar other services;
- (c) advise on avoiding duplication by prioritization of works of similar nature being undertaken by the Government Departments, Authorities, Agencies or any other entity or one or more local governments in the district;
- (d) ensure amicable settlement of disputes among local governments or a local government with other Government departments, authorities, agencies or any other entity in the district; and
- (e) review and ensure enforcement of municipal offences through local government, Punjab Enforcement and Regulatory Authority constituted

under the Punjab Enforcement and Regulation Act 2024 (XI of 2024) or any other enforcement agency performing under the Provincial laws.

(3) The District Municipal Coordination Forum may recommend:

- (a) legal action to the Department against the delinquent officers and employees of a local government; and
- (b) the local government for assignment of any of its powers and functions for regulation and enforcement of offences to Punjab Enforcement Regulatory Authority.

## CHAPTER – XI

### DUTIES OF CERTAIN FUNCTIONARIES

**41. Duties and powers of a Head of the local government.**— (1) In addition to any other duty assigned to him under the Act or any other law for the time being in force, a Head shall be responsible for:

- (a) ensuring that the business of the local government is carried out strictly in accordance with the Act and all other relevant laws for the time being in force;
- (b) efficient, effective and transparent functioning of the local government;
- (c) accomplishment of operational, developmental and fiscal objectives set out by the Council or, as the case may be, by the Government;
- (d) presenting annual report on the performance of local government to the Council during each financial year;
- (e) representation of the local government at civic or ceremonial functions;
- (f) any other duty, as the Council may, by a general or special resolution direct; and
- (g) general supervision and control over officers of the local government for the above purposes.

(2) At the end of each calendar year or at such other appointed interval, the Head shall evaluate the work done and results obtained by the Chief Officer as against his duties and the manner in which he exercised his powers under the Act and submit a report to the House and in case of unsatisfactory performance, House may send its recommendation to the Secretary for appropriate action.

(3) A Head shall have the right to be present and participate in the proceedings of the Council and exercise the right to address the Council, its committees or a sub-committee.

(4) The Head of a local government may prepare and publish a document to be known as the Economic Development Strategy which may contain:

- (a) assessment of the economic condition of the local area; and
- (b) policies and proposals for the economic development and regeneration of the area including strategy for promoting business efficiency, investment and competitiveness, promoting employment, promoting development of skills relevant to employment in that area.

(5) In preparing or revising Economic Development Strategy, the Head of a local government may consult such persons as it appears to him to represent employers in that area and such persons as it appears to him to represent the employees in that area.

**42. Duties and powers of a Speaker.**— (1) In addition to any other duty assigned to him under the Act, a Speaker shall:

- (a) convene meetings of the Council as required under the Act;
- (b) preside over, and ensure orderly conduct of meetings of the Council at which he is present;
- (c) maintain record of meetings of the Council; and
- (d) constitute committees of the Council under the Act and oversee their working.

(2) A Speaker shall, in relation to the above duties, exercise such powers as are conferred upon him under the Act or any other law for the time being in force.

(3) Without prejudice to the provisions of subsection (2), a Speaker may, in relation to above duties, direct a member to abstain from or withdraw immediately from a meeting, where in his opinion the attendance of meeting by that member would constitute conflict of interest under the Act.

**43. Duties of a member.**— While acting under the Act, a member shall:

- (a) serve the overall interest of the local area which he represents; and
- (b) ensure that there is no conflict between his private interest and honest performance of his role of serving public interest.

**44. Duties and powers of Chief Officer.**— (1) In addition to any other duty assigned to him under the Act or any other law for the time being in force, a Chief Officer shall:

- (a) work as the principal accounting officer of the local government;

- (b) assist and advise the Head, Speaker, committees and sub-committees of the Council in proper discharge of their duties under the Act;
- (c) ensure timely, effective and efficient implementation of local government policy and decisions;
- (d) supervise and control officers and servants of the local government and coordinate and synergize the work of all offices of the local government;
- (e) maintain financial and administrative discipline and ensure that the business of the local government is carried out strictly in accordance with the provisions of the Act and other laws for the time being in force;
- (f) enter into and manage all contracts on behalf of a local government, with the approval of the Head;
- (g) undertake all procurements on behalf of a local government;
- (h) maintain records pertaining to the functions of a local government;
- (i) act for and on behalf of a local government, in every action or other legal proceedings whether instituted by or against the local government;
- (j) assist relevant authorities in case of emergency; and
- (k) perform such other duties as are assigned to him by the Government, Secretary, Head, Council or a committee or sub-committee of the Council.

(2) A Chief Officer shall, in relation to the above duties, exercise:

- (a) such powers as are conferred upon him under the Act or any other law for the time being in force;
- (b) such powers of the local government as are delegated upon him by the Council through a resolution; and
- (c) such powers of the Head as are delegated upon him by the Head.

**45. Attendance of Council meetings by Chief Officer.**— The Chief Officer shall, when required by the Speaker, 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 from him.

**46. Personal responsibility for acts done and expenditure incurred without lawful authority.**— Every person exercising any authority for the purposes of the Act, shall be personally responsible for:

- (a) any act done by him personally or done under his direction; or any loss, financial or otherwise, suffered by a local government due to a decision made by him personally or under his direction; or
- (b) any expenditure incurred by him personally or incurred under his direction, if such action, direction, or decision is taken or expenditure is incurred, without lawful authority or in violation of any provision of the Act or any other law for the time being in force.

## CHAPTER – XII

### CONDUCT OF BUSINESS

**47. Conduct of business.**— (1) The business of a local government shall be conducted in such manner as may be prescribed.

(2) Any proceedings or decision of a local government shall not be invalid merely because of a vacancy or defect in the membership of the local government.

(3) A local government may appoint committees consisting of such number of its members and other persons to perform such functions and in such manner as may be prescribed.

**48. Meetings of the House.**— (1) A local government shall, within three months of the assumption of office, frame bye-laws for the conduct of its meetings.

(2) A meeting of a local government shall be presided over by its Speaker.

(3) A local government shall hold at least one meeting during two months:

Provided that in case meeting of a House is not conducted for two consecutive months, the Commission shall take cognizance.

(4) A meeting of a local government shall be open to public except when a local government, by simple majority, decides to consider any matter in a session attended exclusively by its members, officers and officials.

(5) The Chief Officer or an officer authorised by him shall record minutes of the meeting of a local government and submit the same to the person who presided the meeting for approval.

(6) The Chief Officer shall, after approval, issue the minutes of a meeting under his signatures.

(7) In case of absence of Speaker for any reason, a member of House present, who is senior in age, shall convene the meeting.

**49. Contracts.**— All contracts made by or on behalf of a local government shall be:

- (a) in writing and expressed to be made in the name of the local government;
- (b) executed in such manner as may be prescribed; and
- (c) reported to the local government by the Head in the meeting next following the execution of the contract.

**PART 3**  
**ELECTIONS, TERM OF OFFICES AND RELATED MATTERS**  
**CHAPTER - XIII**

**AUTHORITY FOR LOCAL GOVERNMENT ELECTIONS**

**50. Election Commission to conduct local government elections.**— (1) All elections under the 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.

**51. Elections Act to apply.**— For the purpose of local government elections, the Elections Act shall, as nearly as possible, apply to an election under the Act.

**52. All persons, authorities or entities to assist the Election Commission.**— (1) The Election Commission may require any person, authority or entity in the Province to perform such function or render such assistance as may be required for the purposes of the Act.

(2) It shall be the duty of all persons, authorities or entities required to perform a function or render any assistance under subsection (1) to perform such function or render such assistance, as may be required.

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

**53. Delegation of powers.**— The Election Commission may delegate any of its functions or powers in accordance with the Elections Act.

**54. Election Commission to regulate its own procedure.**— The Election Commission shall, subject to the Act and the rules, regulate its own procedure for the conduct of elections under the Act.

**CHAPTER - XIV**  
**ELECTION METHOD AND FRANCHISE**

**55. Union Council.**— (1) The election of general members of a Union Council shall be held through secret ballot on the basis of adult franchise, in such manner as may be prescribed.

(2) For the purpose of election of general members of a Union Council, entire local area of the Union Council shall be a multi-member ward.

(3) A voter may cast one vote in favor of the candidate of general member of his choice.

(4) The nine candidates securing highest number of votes in descending order, shall stand elected as general members:

Provided that in case of equality of votes between two or more contesting candidates, the Returning Officer shall draw a lot in respect of such candidates and the candidate on whom the lot falls shall be deemed to have received the highest number of votes entitling him to be declared elected.

(5) The returned candidates elected under subsection (4) may join a political party within thirty days of the publication in the official Gazette of the names of the returned candidates.

(6) The members on reserved seats of Union Council shall be elected indirectly, through show of hands, by the general members of the Union Council.

(7) The Chairperson and Vice Chairperson of Union Council shall be elected, as joint candidate, by the general members and members on reserved seats of a Union Council, through show of hands, from amongst themselves.

(8) The returned candidates of Chairperson, Vice Chairperson and members may join a political party within thirty days of notification of returned candidate.

**56. Town Corporations, Municipal Corporations except Murree, and Tehsil Councils.**— (1) All Chairpersons of Union Councils falling in its local area shall become ex-officio general members of House of respective Town Corporation, Municipal Corporation except Murree and Tehsil Council.

(2) The ex-officio general members shall elect the members on reserved seats as specified in Part-A of First Schedule, through show of hand, by majority of the members present and voting, in the prescribed manner.

(3) All members of Union Councils falling in its local area and members on reserved seats of the House of the concerned local government shall elect Mayor and two Deputy Mayors or two Vice Chairpersons, as the case may be, as joint candidates, through show of hand, by majority votes of members present and voting, in the prescribed manner.

(4) Any person, who is the registered voter in the local area may contest the election under subsection (3).

**57. Municipal Corporation Murree and Municipal Committees.**— (1) Chairpersons, Vice Chairpersons and members of a Union Council falling in its local area, as specified in Part-B of First Schedule shall become ex-officio general members of House of Municipal Corporation Murree and of respective Municipal Committee.

(2) The ex-officio general members shall elect the members on reserved seats as specified in Part-B of First Schedule, through show of hand, by majority of the members present and voting, in the prescribed manner.

(3) All members of a Union Council falling in its local area and members on reserved seats of the House of the concerned local government shall, elect Head, Deputy Mayors or Vice Chairperson, as the case may be, as joint candidate, through show of hand, by majority votes of members present and voting, in the prescribed manner.

(4) Any person who is a registered voter in the local area may contest the election under subsection (3).

**58. Electoral rolls.**— The Election Commission shall use the electoral rolls prepared under the Elections Act for elections under the Act.

**CHAPTER – XV**  
**CONDUCT OF ELECTIONS**

**59. Notification of election date and call up for election.**— Through an order published in the official Gazette, the Election Commission shall, after consultation with the Committee of the Provincial Cabinet constituted for the purpose, fix a date or several dates for elections to one or more local governments under the Act.

**60. Only eligible persons allowed to contest elections.**— (1) No person shall be nominated for an election under the Act unless he is otherwise eligible for an election in terms of section 67 of the Act.

(2) The Returning Officer shall not accept the nomination of a candidate unless the amount, as may be prescribed, is paid in cash or in the form of a bank draft or pay order in favour of the Election Commission by or on behalf of the candidate as candidature fee.

(3) The candidature fee paid by or on behalf of the candidate shall be non-refundable.

(4) A candidate may pay only one candidature fee even if such candidate is nominated for the same seat by more than one nomination papers.

(5) The Returning Officer shall, in the prescribed manner, after public notice and hearing the person nominated as a candidate or a person authorized by him in this behalf, satisfy himself 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 the Act.

**61. Manner of conducting elections.**— Subject to the provisions of the Act and the Elections Act, the elections under the Act shall be conducted in such manner as may be prescribed.

**62. Code of Conduct for elections.**— (1) The Election Commission shall by an order published in the official Gazette, issue a Code of Conduct for candidates, political parties, election agents, polling agents and other relevant persons for every election under the Act.

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

**63. Returned candidates.**— Election Commission shall issue the notification of returned candidates, after every election.

**64. Announcement of results.**— After the counting of votes, the results of every election under the Act shall be announced immediately through a public notice by the Returning Officer which shall be followed by a notification in the official Gazette by the Election Commission.

**65. Election to be called in question only before Election Tribunal.**— (1) No election under the Act shall be called in question except through an election petition made to the Election Tribunal constituted under the Elections Act.

(2) The Election Tribunal shall follow procedures and exercise powers under the Elections Act.

**66. Notification of election, resignation and removal.**— (1) The Election Commission shall, within thirty days from the date of receipt of information, notify a vacancy occurred due to death, resignation, disqualification or removal of an elected official and shall also publish the same in the official Gazette.

(2) The Election Commission shall notify election programme and conduct elections within sixty days of the notification of vacancy under subsection (1), except in case of elections for general members of a Union Council, where the list of contesting candidates has been exhausted, and shall also publish the same in the official Gazette.

## CHAPTER – XVI

### QUALIFICATIONS AND TERM OF OFFICE OF CANDIDATES

**67. Qualifications and disqualifications.**— (1) A person shall be eligible to be a candidate for the office of the elected official, if:

- (a) his name appears for the time being in the electoral roll of the local area from where he is a candidate; and
- (b) he, on the last day fixed for the filing of nomination papers for that election, is not less than twenty one years of age in case of a member, and not less than twenty five years of age in case of a Head or a Deputy Mayor or Vice Chairperson:

Provided that the age for a candidate for the seat reserved for youth shall not be less than eighteen years and more than thirty-five years.

(2) Without prejudice to the provisions of subsection (1), no person shall be eligible to be a candidate or to hold the office of the elected official, if:

- (a) he is not eligible or becomes ineligible to be enrolled as a voter under the Elections Act;

- (b) 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 unless a period of five years has elapsed from such conviction;
- (c) 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;
- (d) 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 Federal Government or Government, or a local government in Pakistan, or in which the Government or a local government has controlling share or he is or becomes a salaried official of a public or statutory corporation;
- (e) he holds an office of profit in the service of Pakistan other than an office which is not a whole-time office remunerated either by salary or by fee, or the office of Lambardar, whether called by this or any other title, or the office of Qaumi Razakar;
- (f) he has been dismissed, discharged or compulsorily 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 unless a period of three years has elapsed;
- (g) he has obtained a loan for an amount of one million 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;
- (h) 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 one hundred thousand rupees due upon him, his spouse or any of his dependent for the use of any service such as Pakistan Telecommunication Company Limited (PTCL), electricity, gas or water for over six months; and
- (i) he is declared by a court, to be disqualified for membership of the Parliament or a Provincial Assembly under any law for the time being in force.

(3) 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 Second Schedule along with his nomination papers for the election:

Provided that a person contesting election to the Head of local government shall submit declaration of assets and liabilities along with his nomination papers.

**68. Defection from a Political Party.**— (1) The head of a Political Party or his nominated representative duly authorized in writing, may, after giving an opportunity to show cause, declare the elected official to have defected his Political Party who, after having been elected on its party ticket or the returned candidate who has joined a Political Party:

- (a) joins another Political Party; or
- (b) votes or abstains from voting in the Council contrary to any direction of the Political Party in relation to the election of the Head, reserved seat, or approval of budget, or a vote for removal of the Head, Deputy Mayor or Vice Chairperson:

Provided that any vote, if cast contrary to any direction of the Political Party, in respect of the matters mentioned in this clause, shall be counted being a valid vote.

(2) After having declared a Member to have defected, the Head of the Political Party or his nominee shall forthwith forward a copy of the declaration to the Election Commission.

(3) Where the declaration is confirmed by the Election Commission after due notice and inquiry, not later than thirty days, the elected official referred to in subsection (1) shall cease to hold office.

**Explanation:** For the purpose of this section, the head of a Political Party shall mean any person by whatever name called, declared as such by the Political Party.

**69. Effect of being found to be disqualified to be a candidate, Head, Deputy Mayor, Vice Chairperson, or a member.**— (1) A person, on being found by the Election Commission to have filed nomination papers for a local government election or holding the office of an elected official, while knowing that he is not eligible to file such nomination papers or to hold such office; or have made election expenses in excess of the prescribed limit; or have failed to file a return on election expenses; or filed a return that contains particulars that to his knowledge are false or misleading, shall:

- (a) in case he is a candidate to a local government election, stand disqualified from being a candidate for the office of the elected official, for the term of local government from the date of such disqualification; or
- (b) in case he is an elected official shall, cease forthwith to hold such office, and shall also stand disqualified from being a candidate in the local government election, for a period of the term of local government from the date he ceased to hold such office.

(2) Any resident of the respective local area may make a written complaint to the Returning Officer or the Election Commission to seek disqualification of a candidate from contesting local government election or from holding office on any ground mentioned in this section.

(3) Every order of the Returning Officer or the Election Commission under this section shall be passed in writing and after conducting inquiry as deemed appropriate and after affording right of hearing to such candidate or office holder, as the case may be.

**70. Bar against double membership.**— (1) No person shall simultaneously hold the office of an elected official in more than one local governments.

(2) No person shall simultaneously hold more than one such elected offices in the same local government.

(3) No person shall simultaneously hold the office of an elected official, and a member of the Parliament or Provincial Assembly.

(4) Where a Head, Deputy Mayor, Vice Chairperson, or a member is elected to any other political office, his seat held in the local government shall become vacant, immediately upon taking oath of such office.

(5) Nothing contained in this section shall bar the members of Union Council elected as Chairperson and Vice Chairperson, from holding the office of Chairperson and Vice Chairperson.

**71. Term of office of the Council, Head, Deputy Mayor, Vice Chairperson, or a member.**— (1) Subject to the Act, the term of office of a Council shall be five years commencing on the date on which it holds its first meeting:

Provided that Council once elected shall have a right to complete its term and shall not be dissolved earlier.

(2) The term of office of every elected official shall, unless removed earlier under the Act, be the same as that of the term of office of the Council.

(3) On expiry of the term of a Council, the Election Commission shall conduct local government elections within a period of one hundred and twenty days.

**72. First meeting and oath of office.**— (1) As soon as may be, but not later than one month after the notification of results of an election by the Election Commission, the date of the first meeting of the Council shall be fixed by the Government.

(2) A person elected as an elected official shall, before assuming his office, make and subscribe to an oath, appropriate to his office, in the form set out in the Third Schedule:

Provided that the Government shall nominate the Presiding Officers who shall administer the oath.

**73. Effect of failure to take oath.**— (1) The Election Commission shall, after giving an opportunity to show cause, disqualify an elected official from holding office, who fails to take oath within sixty days from the date of first meeting of the Council.

(2) The Chief Officer, Secretary Union Council or any resident of the respective local area may make a written complaint within one month to the Election Commission for disqualification of an elected official under this section.

**74. Resignation by a Head, Deputy Mayor, Vice Chairperson or member.**— (1) Any elected official may, at any time, resign from his office by writing under his hand to the respective Chief Officer or Secretary Union Council, as the case may be, whereupon his resignation shall be deemed to have been accepted and effective forthwith.

(2) The Chief Officer or Secretary Union Council, as the case may be, upon receipt of resignation under subsection (1) shall forthwith forward it to the District Election Commissioner in the district concerned, who shall, after satisfying himself from the authenticity of such resignation, send it to Election Commission.

(3) The Election Commission shall declare the office of the resigning elected official to be vacant from the date on which resignation is tendered.

(4) Notwithstanding the resignation of an elected official under subsection (1), any proceedings for his removal under the Act, if already initiated, shall not abate as the same may result in his disqualification.

**75. Bye-election.**— (1) If the office of the general member of a Union Council falls vacant, the candidate for the general member who secured highest number of votes, next to the elected general members shall become the general member:

Provided that in case of equality of votes between two or more contesting candidates, the Returning Officer or an officer authorized by the Election Commission shall draw a lot in respect of such candidates and the candidate on whom the lot falls shall be deemed to have received the highest number of votes entitling him to be declared elected:

Provided further that if no candidate is available to fill the vacancy, Election Commission shall conduct fresh election within ninety days to fill such vacancy under subsection (1) of section 55.

(2) If the office of Chairperson, Vice Chairperson or member of reserved seat of a Union Council, for any reason, falls vacant during the term of office, the same shall be filled in the manner given in section 55 of the Act.

(3) If the office of a Head, Deputy Mayor, or Vice Chairperson of a Town Corporation, Municipal Corporation except Murree, and Tehsil Council, or the member indirectly elected on a reserved seat, falls vacant during the term of office of a local government, the vacancy shall be filled in the manner provided in section 56 of the Act.

(4) If the office of a Head, Deputy Mayor, or Vice Chairperson of Municipal Corporation Murree or Municipal Committee, or the member indirectly elected on a reserved seat, falls vacant during the term of office of a local government, the vacancy shall be filled in the manner provided in section 57 of the Act.

(5) Any casual vacancy being filled under this section shall be notified by the Election Commission.

**76. Power of the Chief Minister to appoint administrator.**— On expiry of the term of a Council, or pending constitution of a new local government or a Council, the Chief Minister shall, by an order published in the official Gazette, appoint any of officers of the Government, as Administrator, to perform such functions and exercise such powers and authority of the respective local government as may be specified in that order.

#### PART 4 LOCAL GOVERNMENT FINANCE AND PROPERTIES CHAPTER - XVII LOCAL GOVERNMENT FINANCE

**77. Funds of a local government.**— (1) A local government shall establish a Local Fund, and all the revenues received by the local government from the following sources shall be credited to the Fund:

- (a) the proceeds of taxes, tolls, fees, rates or charges levied by the local government;
- (b) grants made to or moneys received by the local government from the Government or other sources;
- (c) rents and profits payable or accruing to the local government from immovable property owned or otherwise vested in or controlled or managed by it;
- (d) proceeds or any other profits from any investment;

- (e) gifts, grants or contributions to the local government by individual or institutions;
- (f) income accruing from markets or fairs regulated by the local government;
- (g) fines and penalties imposed under the Act;
- (h) proceeds from other sources of income which are placed at the disposal of the local government under directions of the Government;
- (i) all moneys transferred to the local government by the Government;
- (j) moneys transferred by another local government under the Act; and
- (k) income accruing on floating of municipal bonds for raising funds for financing municipal projects duly approved by the Government on the recommendations of Finance Commission.

(2) The Government shall transfer the grants of a local government in the shape of share of the local government in the Punjab Finance Commission Award and all proceeds of taxes, tolls, fees, rates or charges levied by the local government collected by the Government to the Local Fund of the local government on monthly basis:

Provided that in case of delayed transfer, the local government may make a reference to the Finance Commission for such delay in the payment.

(3) Every local government shall maintain a Public Account to place all revenues received by the local government from the following sources:

- (a) receipts accruing from trusts administered or managed by the local government;
- (b) refundable deposits received by the local government; and
- (c) deferred liabilities.

(4) A local government may establish and maintain a separate account for any special purpose to which one or more sources of revenue mentioned in subsection (1) or any part of these sources or any specified portion of the Local Fund may be assigned.

(5) The separate account under subsection (1) shall be maintained, administered and regulated as a Local Fund.

**78. Custody of Local Fund and Public Account.**— The moneys credited to the Local Fund or the Public Account of a local government shall be kept and operated in separate accounts of a local government in such manner as may be prescribed.

**79. Charged expenditure.**— (1) The following expenditure shall be charged upon the Local Fund:

- (a) the money required for repayment of loans;
- (b) the money required to satisfy any judgment, decree or award against the local government;
- (c) the money required by the Government to contribute for deferred liabilities of the local government; and
- (d) such other expenditure of local government as may be directed by the Secretary, in case of a calamity or an urgency.

(2) If any expenditure is a charge upon the Local Fund and is not paid, the Commission may, by order, direct the person having the custody of the respective Local Fund to pay such amount from the Local Fund:

Provided that in case of a dispute, the Commission shall conduct hearing and decide the matter.

**80. Application of Local Fund.**— (1) The moneys credited to Local Fund shall be expended by a local government in accordance with the annual budget and supplementary budget approved by its Council.

(2) A local government may transfer approved budgeted amounts to any local government, within its local area, for expenditure for the purpose of carrying out a project service or activity transferred to, or managed by, the recipient local government, in such manner as may be prescribed.

(3) The application of Local Fund shall be subject to the budgetary constraints and according to the minimum specified ratio of development and non-development expenditures.

(4) The development budget shall be prioritized in accordance with the bottom up planning system as laid down in section 83 of the Act:

Provided that:

- (a) not more than twenty percent of the development budget shall be set apart for utilization in accordance with the provisions of section 83 of the Act; and
- (b) the amount referred to in clause (a) which remains unspent shall be credited under the same head in the following year's budget in addition to the fresh allocation under the said clause for that year.

(5) Every local government shall allocate not less than twenty percent of its development budget for maintenance and repair of existing infrastructure and provision of earlier initiated services.

(6) Every local government shall allocate two percent of its budget for sports and cultural activities.

(7) Where a new local government is to take over during a financial year as a result of fresh elections, the outgoing local government shall not spend development funds under any demand for grant or appropriation in excess of funds calculated for remaining period per month on pro-rata basis of the budgeted funds for the that financial year as per formula below:

**Available Amount** = (Number of remaining months / 12) x Total Development Budget

(8) In every budget, a provision may be made for payment of such performance incentive bonuses linked for achievement of Key Performance Indicators set by the local government for that financial year.

(9) The expenditure from the Local Fund on total establishment expenditures in a financial year shall not increase more than ten percent in total from the establishment expenditures of the previous year:

Provided that this subsection shall not apply to a general salary increase of existing schedule of establishment.

**81. Budget preparation.**— (1) The annual budget for a local government shall contain estimates of:

- (a) grants from the Government;
- (b) amounts available in the Local Fund;
- (c) receipts for the next year; and
- (d) expenditure to be incurred for the next year.

(2) The Government shall, sufficiently before the beginning of each financial year, notify the provisional share which may be credited to the Local Fund from the provincial allocable amount.

(3) The functionaries of a local government may re-appropriate budget in accordance with the powers of re-appropriation delegated to them by the local government, and at the end of the financial year, a revised budget shall be submitted to the local government for approval.

(4) A demand for a grant shall not be made except on the recommendation of the Head of local government.

(5) The conditional grants from the Government or other local government shall be shown separately in the budget and shall be governed by the conditions on which such grants were made.

(6) Before the commencement of a financial year, each local government shall, for its Fund, prepare in the prescribed manner, a budget for that year in conformity with the provisions of section 83 of the Act.

(7) A local government shall prepare the budget in the prescribed manner and in accordance with the chart of accounts notified by the Auditor-General of Pakistan.

**82. Approval of budget.**— (1) Before commencement of the next financial year, the Head of a local government shall present the budget for consideration and approval of the local government.

(2) The local government may discuss the charged expenditure but shall not vote on such expenditure.

(3) The budget of a local government shall be approved by simple majority and the local government shall not take up any other business during the budget session.

(4) The Finance Commission may review approved budget of a local government, and if found contrary to the budget rules, may require the local government to rectify it.

(5) A budget shall not be approved if the sums required to meet estimated expenditure including previous liabilities and commitments exceed the estimated receipts.

(6) In case a budget is not approved by a local government before the commencement of the financial year to which it relates, the local government shall spend money under various objects, on pro-rata basis in accordance with the budgetary provisions of the preceding financial year for a period not exceeding thirty days.

(7) A local government shall not spend funds or make commitments for any expenditure under any demand for grant or appropriation in excess of eight percent of the amount budgeted in the preceding year within the period of thirty days mentioned in subsection (6).

(8) In case, a local government fails to pass the budget within the extended period as specified in subsection (6), the Secretary after approval from the Minister shall prepare, approve and authenticate the budget of the local government for full year.

(9) After approval of the budget by a local government, the Head of local government shall authenticate under his signature a schedule specifying:

(a) grants made or deemed to have been made by the local government; and

(b) sums required to meet the expenditure charged upon the Local Fund.

(10) The budget authenticated under subsection (8) shall be laid before the House of the local government but shall not be open to discussion or vote.

(11) The authenticated budget shall be communicated to the local government functionaries, accounts officials, the Secretary and the Commission and post on the official website or a portal designated by the Department for this purpose.

(12) At any time before the expiry of the financial year to which the budget relates, a revised budget for the year may, if necessary, be prepared and such revised budget shall be approved in the manner as that of annual budget.

**83. Bottom-up planning and the community ownership incentive system.**— (1) Before the beginning of the financial year, the respective local government shall lay down and announce the classification of development schemes to be undertaken exclusively under the provisions of this section.

(2) A development scheme identified by the Community Based Organization and approved by a local government shall be funded at the ratio of not less than twenty percent by the Community Based Organization and not more than eighty percent by the local government concerned:

Provided that a scheme shall be deemed to be an approved scheme if:

- (a) the prescribed departmental procedure for estimating the cost of the scheme has been followed;
- (b) the estimating officer certifies that the scheme meets the requirements laid down by law;
- (c) the Community Based Organization has deposited its share of the cost of the development scheme with the concerned local government;
- (d) the complete departmental estimates and the proof of deposit of the contribution of Community Based Organization are attached; and
- (e) the scheme has been approved by the competent authority, in the prescribed manner:

Provided further that the share deposited under subsection (2) by Community Based Organization shall become part of the local fund of the local government.

(3) The scheme approved under subsection (2) shall be funded from the amount allocated in the annual development budget.

(4) A cut-off date for submission of all schemes proposed by the Community Based Organization shall be announced by the local government concerned before the presentation of its budget.

(5) The respective local government shall authorize an officer to draw up a statement specifying the schemes submitted by the cut-off date specified in subsection (4)

by classification including the total amount of contributions for a particular classification of schemes.

(6) A second statement shall determine contributions for a particular classification of schemes as a ratio of the total contributions for all schemes submitted with a particular local government for that year, and the statement shall be used to determine amounts of allocations for a classification of schemes from the budget reserved for the purpose.

(7) A third statement shall be drawn up which shall identify the number of schemes submitted in a particular classification, beginning with the scheme containing the highest contribution by the Community Based Organization in a classification until all the schemes in the classification are selected or the funds allocated for that particular classification in the amount determined under subsection (6) are exhausted.

(8) The funds for Community Based Organization under section 80 of the Act shall be communicated to the authorized officer under subsection (5).

(9) The identified schemes shall be included in the budget before submission to the respective Council.

(10) The statement referred to in subsection (7) shall be approved by a simple majority of the members of the respective Council in a budget session to be held by the respective Council.

(11) The schemes approved by the respective Council shall be carried out by a local government in such manner as may be prescribed.

(12) The share deposited by a Community Based Organization may be refunded by approval of the Head of local government, in the manner as may be prescribed, if the scheme is not approved under subsection (10) or execution not started.

**84. Honoraria and allowances.**— A local government may, subject to the specified limitations approved by the Government, make budgetary provisions for honoraria and allowances of the Head, Deputy Mayor, Vice Chairperson or a member of the local government:

Provided that honoraria and allowances shall be allowed only in one capacity.

**85. Accounts.**— (1) The accounts of all receipts and expenditures of a local government shall be kept in such form and in accordance with such principles and methods as may be prescribed by the Auditor-General of Pakistan.

(2) In addition to maintenance of accounts by a local government, Provincial Director, Local Fund Audit of the Government shall maintain the accounts of the local governments, other than the accounts of the Union Council, and devolved offices managed under the respective District Local Government Authority.

(3) The Secretary of a Union Council, shall maintain the accounts of the Union Council and shall display the monthly statement of receipts and expenditures in the office of Union Council.

(4) The Accountant General or District Accounts Officer of the District shall maintain the accounts of the devolved offices managed under the respective District Local Government Authority.

(5) The Provincial Director, Local Fund Audit of the Government shall pre-audit all the payments from the Local Fund of a local government other than the devolved offices managed under the respective District Local Government Authority.

(6) The Accountant General or the District Accounts Officer shall pre-audit all the payments from the Local Fund of the devolved offices managed under the respective District Local Government Authority.

(7) A local government shall not withdraw or disburse money from the Local Fund unless it is pre-audited in the prescribed manner.

(8) The Provincial Director, Local Fund Audit and the Accountant General shall, by fifteenth day of July of each year, prepare an annual statement of receipts and expenditures of the accounts of local governments and District Local Government Authorities, for the preceding financial year, and shall transmit the statement to the Government and the concerned local government.

(9) A copy of the annual statement of accounts shall be displayed at a conspicuous place in the office of the local government for public inspection, and all objections or suggestions concerning such accounts received from the public shall be considered by the local government and appropriate decision shall be taken:

Provided that the quarterly accounts of all local governments shall be published on the website or a portal designated by the Department and presented to the members of the Council.

(10) The Authority performing pre-audit shall be equally responsible for all the payments made.

**86. Audit.**— (1) The Auditor-General shall, on the basis of such audit as he may consider appropriate or necessary, certify the accounts of a local government for each financial year.

(2) The Auditor-General shall audit the accounts of a local government in such form and manner as he may deem appropriate.

(3) The audit report of the Auditor-General shall be considered by the Public Accounts Committee of the Provincial Assembly of the Punjab.

(4) If in the opinion of the Government, it is necessary in public interest to have a special audit of a local government, it may cause it to be conducted by Auditor-General, the Provincial Director Local Fund Audit, chartered accountant firm or any other agency.

(5) After the receipt of special audit report of a local government, the Government may, after enquiry by the Commission, take appropriate action on the recommendations of the Commission.

**87. Local government debt and investment.**— (1) A local government shall not incur any debt without approval of the Government.

(2) The Government shall notify a list of permissible securities, investment instruments and financial institutions, where a local government may invest surplus funds.

### CHAPTER – XVIII

#### PUNJAB LOCAL GOVERNMENT FINANCE COMMISSION

**88. Local Government Finance Commission.**— (1) The Government shall constitute the Punjab Local Government Finance Commission to perform functions under the Act.

(2) The Finance Commission shall comprise the following members, including the Chairperson:

- (a) Minister in charge of Finance Department of the Government, who shall also be the Chairperson of the Finance Commission;
- (b) Minister in charge of the Department, who shall be the co-Chairperson of the Finance Commission;
- (c) six members of the Provincial Assembly of the Punjab, nominated by the Speaker of the Assembly, in consultation with leaders of political parties, in proportion to the seats held by political parties in the Assembly;
- (d) Secretary to the Government, Finance Department, who shall also be the Secretary of the Finance Commission;
- (e) Secretary of the Department;
- (f) Secretary to the Government, Planning and Development Board;
- (g) four experts of local governments and local government finance, including one woman, appointed by the Chief Minister in terms of section 91 of the Act; and
- (h) one Head from each category of the local government, to be nominated by the Chief Minister.

(3) In case of absence of the Chairperson for any reason, the Co-Chairperson shall chair the Finance Commission and in case he is also absent, the members present 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 the 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.

**89. Term of office and premature removal of certain members.**— (1) The Ministers and Secretaries referred to in section 88 of the Act shall be *ex-officio* members of the Finance Commission.

(2) A Head of the local government referred in section 88 of the Act shall hold the office as member of the Finance Commission for the term of five years or term of the local government, whichever expires earlier.

(3) An expert member referred in section 88 of the Act, shall hold office for a term of five years from the date of assumption of office.

(4) The Chief Minister may, after due notice and inquiry by the Finance Commission, remove any member of the Finance Commission, not being the member referred to in subsection (1), 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 incapacity.

(5) Any member of the Finance Commission, not being the member referred to in subsection (1), may resign from his office by writing under his hand to the Chairperson of the Finance Commission.

(6) No Head of the local government shall be eligible for appointment as a member of the Finance Commission if he has previously remained its member as a Head of the local government for two consecutive terms.

(7) A Head of the local government or an expert member who has previously been removed from the office of a member of the Finance Commission under subsection (3) shall not be eligible for appointment as a member of the Finance Commission for the subsequent five years.

**90. Casual vacancies.**— (1) Where the position of a member, not being the *ex-officio* member, becomes vacant on account of his resignation, removal, death or for any other reason, the Government shall appoint a person to fill the 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 remaining period of the term of office of the member to whom he replaces.

**91. Eligibility for appointment as an expert member.**— (1) A person shall be eligible for appointment as an expert member under section 88 of the Act if:

- (a) he has at least sixteen years' education in a discipline related to the functions of the Finance Commission, possesses adequate knowledge of economics, public finance, accounts, or working of the local governments in general with at least fifteen years experience in the aforesaid or any other related affairs;
- (b) he is, for the time being, qualified to be a candidate for an election under the Act; and
- (c) he is not in the service of Pakistan or any office or body which is set up or owned or controlled by the Federal Government or Government or a local government 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.

(2) Subject to the provisions of subsection (6) of section 89 of the Act, a person who has previously remained as an expert member shall be eligible for re-appointment as a member of the Finance Commission.

**92. Oath of office of members of the Finance Commission.**— Before entering upon office, every member of the Finance Commission shall make an oath in the Form set out in the Third Schedule before Governor of the Punjab.

**93. Functions of the Finance Commission.**— (1) In addition to any other work assigned to it under the Act, the Finance Commission shall:

- (a) establish formulae for determining the size of provincial allocable amount and the share of local governments from this amount;
- (b) oversee and report upon the transfer of share of local governments from the provincial allocable amount in accordance with the formulae referred to in clause (a);

- (c) advise the Government or a local government on matters relating to fiscal transfers and fiscal performance of local governments;
- (d) advise the Government or a local government on specific matters, objections or claims in relation to fiscal transfers;
- (e) support local governments in effecting improvements in their fiscal capacity and performance, better budget management and increased adherence to financial and procurement laws;
- (f) recommend an enhanced incidence of a local tax, fee, rate, toll, rent or other charge of a local government if it is under fiscal distress;
- (g) recommend the schedule, nature and structure of independent audits of the local governments;
- (h) monitor fiscal health of local governments on an annual basis in particular their fiscal effort and performance; their ability to meet budgetary and development targets, their debt management and to make a determination of fiscal distress defined in terms of the ability of a local government to balance their budgets by ensuring that the sum of estimated net revenues and appropriated fund balances are sufficient to cover appropriations and other liabilities including pension and general provident fund liabilities; and
- (i) present, during the first month of each financial year, to the Government and all local governments an annual report on fiscal performance of local governments during the previous financial year which shall, amongst others, include an analysis of the matters referred to in this subsection and fiscal transfers made to the local governments and own resources raised by them and their performance in meeting budgetary and performance objectives.

(2) The report referred to in clause (i) of subsection (1) shall be laid before the Provincial Assembly of the Punjab, after approval of the Government.

(3) 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.

(4) The Secretary shall, during the exercise of its powers under the Act, shall have regard to the recommendations, reports and advice of the Finance Commission in relation to the matters mentioned under subsection (1).

**94. Right of local governments to refer objections to the 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 the Act, that local government may make a reference to the Finance Commission.

(2) Every reference under subsection (1) shall be made in writing and contain grounds of objection.

(3) The Finance Commission shall, after due notice and inquiry within sixty days, decide every reference made to it under this section.

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

(2) 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.

(3) The quorum necessary for transaction of business at an ordinary or special meeting of the Finance Commission shall be one-half of the members holding office at the time out of whom not less than two members shall be the expert members.

(4) 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.

(5) The Finance Commission may 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 the Act.

**96. Duty of local governments and other public entities to cooperate with the Finance Commission.**— (1) The Finance Commission may require the Government, a local government, an entity owned or managed by the Government or a local government, or any other person or authority in the Province to render assistance, provide data, conduct survey, or provide all information which it reasonably requires for the purposes of the Act.

(2) 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 subsection (1).

**97. 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.

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

(3) The secretariat of the Finance Commission shall be headed by the Secretary to the Government, Finance Department who shall also be the Principal Accounting Officer of the Finance Commission.

#### CHAPTER - XIX LOCAL GOVERNMENT PROPERTIES

**98. Local government properties.**— (1) All properties whether movable or immovable specified hereunder, and all interests of whatsoever nature or kind therein, shall vest in a local government:

- (a) all lands, buildings or other properties owned or otherwise vested in or controlled or managed by local government, and includes all lands, buildings or other properties which were vested in any defunct local government of which the local government is the successor under section 3 of the Act;
- (b) all lands or other properties transferred to the local government or acquired by gift, purchase or otherwise for the purposes of the Act;
- (c) 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 the Act;
- (d) all lands, open spaces, play grounds, gardens, parks and other places of public resort transferred to the local government with the title, by gift, purchase or otherwise for the purposes of the Act including those transferred by the Government for the purposes of control and management;
- (e) 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 trees growing on, and erections, materials, implements and things provided with them;
- (f) all public sewers and drains except those owned and maintained under the Punjab Irrigation, Drainage and Rivers Act 2023 (XIV of 2023) or any other law on the subject for the time being in force, 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;
- (g) all works for the disposal of refuse and night soil maintained by the local government;
- (h) all public lamps, lamp posts and other appliances for street lighting maintained by the local government;
- (i) 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;
- (j) all trees, plants and their bearings, on roadsides and other places maintained by the local government; and
- (k) any other property which may vest in the local government under any law for the time being in force or under an order of the Government.

(2) 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.

(3) The Government shall not, except with the prior consent of the concerned local government, reallocate or in any other manner divest title of properties vested in that local government under the Act.

**99. Use and disposal of properties of the local governments.**— (1) The properties of local governments shall be used for public purposes.

(2) The immovable properties of local governments shall not be sold or permanently alienated without prior approval of the Government:

Provided that in case title of an immoveable property is transferred to a Government department, authority, or agency, the price of property, not less than the amount assessed by District Price Assessment Committee, shall be transferred to such local government.

(3) The properties of the local government may be given on lease through competitive bidding by public auction in the prescribed manner.

(4) The Rent Assessment Committee shall assess the rent of the immoveable properties of a local government for the purpose of lease.

(5) The Rent Assessment Committee shall consist of following members:

- (a) Head of the local government as convenor;
- (b) Assistant Commissioner concerned or his nominee not below the rank of BS-14;
- (c) Chief Officer of the local government;
- (d) In charge of the Finance Wing of the local government as Secretary of Committee;
- (e) In charge of the Regulations Wing of the local government; and
- (f) District Excise and Taxation Officer or his nominee not below the rank of BS-16.

(6) The local government may through a written agreement, lease a property to a Government department, authority or agency, without public auction on a rent assessed under subsection (4) and approved by the Council.

(7) The local government may constitute a Committee headed by the Head of the local government to identify encroached or redundant properties that may be sold in the prescribed manner with the approval of the Government, and the funds generated from the sale of such properties shall be kept in a separate head of account and be used only for development purposes.

(8) Where a lease of immoveable property of a local government under a valid lease agreement has expired or is about to expire and it does not contain any condition for extension of lease period, the period of lease may be extended upto ten years after fresh assessment by Rent Assessment Committee on a rate not below the rate assessed by it with an annual increase of ten percent.

(9) Where no written lease agreement is available but the occupant of immoveable property has been paying rent to the local government for at least last five years, the local government may enter into written agreement with the occupant for a period of five years after fresh assessment by Rent Assessment Committee given in subsection (5), on a rate not below the rate assessed by it, with an annual increase of ten percent.

(10) A lessee may prefer an appeal to the Commission, on the rent assessed by the Committee under subsection (4).

(11) The lessee shall be bound to pay the rent assessed under subsection (4), unless it is suspended or set-aside by the Commission.

(12) The Commission, while deciding the appeal under subsection (10), may increase or decrease the rent.

(13) In case of failure to enter into written agreement under subsection (8) or (9), the local government shall, within one month, take over the possession of the immoveable property and shall proceed in accordance with subsection (3).

(14) The movable property of a local government including all articles declared unserviceable which are required to be disposed of, shall be sold through competitive bidding by public auction.

(15) 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.

**100. Acquisition of immovable property.**— Whenever any local government considers it necessary or expedient, it may acquire or purchase any immovable property for public purposes, through a written agreement after approval of the Secretary.

**101. Loss of property of local government.**— In case of any loss of property of the local government, the responsibility for such loss shall be fixed by the concerned local government and the amount of the loss shall be recovered from the defaulting person and a report to this effect shall forthwith be submitted to the concerned Council in the meeting next following.

**102. Annual stock of local government properties.**— Every Head of the local government shall, in the prescribed manner, at least once in every financial year, take the physical stock of its movable and immovable properties, submit a report to the concerned Council and shall publish the same.

**103. 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 - XX

### LOCAL GOVERNMENT TAXES, FEES, RATES AND TOLLS

**104. Authority of a local government to levy taxes, fees, etc.**— (1) 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 Fourth Schedule:

Provided that the Government may, on behalf of a local government, through a notification published in the official Gazette, levy any tax, fee, rate, toll and other charge.

(2) Every resident shall, where applicable, pay tolls, taxes, fees, rates or other charges levied under subsection (1) and allow authorized persons reasonable access to his property in relation to the performance of their duties.

**105. Procedure for imposition, revision or abolishment of a local tax, fee, etc.**— (1) A Head may make proposal with respect to:

- (a) levy of a new tax, fee, rate, toll or other charges under the Act; or
- (b) 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 charges which is for the time being in force under the Act; or
- (c) suspension or abolishment of a tax, fee, rate, toll or other charges which is for the time being in force under the Act; or
- (d) 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 charges which is for the time being in force under the Act.

(2) Every proposal for levy of a tax, fee, rate, toll or other charges under subsection (1) shall, amongst others, mention:

- (a) 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 charges shall apply;
- (b) the method of assessment of the proposed tax, fee, rate, toll or other charges; and
- (c) the incidence at which the tax, fee, rate, toll or other charge is to be levied.

(3) As soon as may be after making of a proposal under subsection (1), the Head shall, through a public notice, invite suggestions and objections on the proposal mentioning

therein, amongst others, the date and time by which the suggestions and objections shall be submitted.

(4) The last date of submission of objections under subsection (3) shall be fixed in such manner as to allow not less than thirty days commencing from the date of publication of the notice.

(5) Any resident of the relevant local area or a person affected by the proposal referred to in subsection (1), may submit his suggestions or objections or both in writing to the Chief Officer by the date and time appointed under subsection (3).

(6) After having considered all suggestions and, as the case may be, objections received under subsection (5), the Head may:

- (a) accept suggestions and objections in as much as he deems appropriate and present a revised proposal before the Council in a public meeting; or
- (b) reject the suggestions and objections and present his original proposal before the Council in a public meeting.

(7) The Council may with a simple majority of votes of members present and voting, approve the proposal with or without revision.

(8) The local government shall, through notification in the official Gazette, publish approved tax, fee, rate, toll or other charge, or the suspension or abolishment or increase or decrease of the incidence or any other revision of such tax, fee, rate, toll or other charge.

(9) Notwithstanding anything contained in the previous local government laws, any tax, cess, fee, rate, toll, charge or surcharge, levied and recovered without fulfilling the requisite procedure or authority, up to the coming into force of the Act, shall be deemed to have been validly levied and recovered under the Act; provided that the tax, cess, fee, rate, toll, charge or surcharge is levied prior to coming into force of the Act.

(10) Subsection (9) shall apply retrospectively to all legal proceeding before any legal forum.

**106. Date on which local taxes, fee, etc. become effective.**— Tax, fee, rate, toll or other charge approved or the suspension or abolishment or increase or decrease of the incidence or any other revision of such tax, fee, rate, toll or other charge under the Act, shall become effective from the commencement of next financial year.

**107. Rating areas and property tax.**— (1) On commencement of this Act, a rating area in which tax has been imposed or saved under the Punjab Local Government Act, 2022 (XXXIII of 2022) or any other local government law shall continue to be the rating area within the meaning of the Punjab Immovable Property Tax Act, 1958 (V of 1958) and under this Act until revised.

(2) All urban area demarcated under the Act shall be rating area.

(3) All housing schemes in rural areas, approved under any law for the time being in force, shall also be rating areas.

(4) Urban immovable property tax shall be levied, assessed, collected and transferred to the local governments under the Act V of 1958.

**108. Representation against levy of local taxes etc.**— (1) A resident aggrieved at the levy of a tax, fee, rate, toll, or other charge imposed under the Act, may file a representation to the Commission, within forty-five days of its publication.

(2) If it appears to the Commission that the incidence of a tax, fee, rate, toll or other charge imposed under the Act is unfair or excessive, the Commission may, after affording an opportunity of hearing, through an order in writing, require the concerned local government to take measures to remove the objection within a specified period.

(3) If a local government fails to comply with the order of the Commission under subsection (2) within the specified period, the Commission may suspend the levy of the objectionable tax, fee, rate, toll or other charge or of such part thereof until the objection is removed.

**109. Duty to furnish information on liability to local tax, fee, etc.**— Every resident of the respective local area and every other person subject to any tax, fee, rate, toll or other charges imposed under the Act shall, on 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 charges, as may be necessary for the purpose of determining their liability to pay the tax, fee, rate, toll, or other charges, as the case may be or the assessment thereof.

**110. Power of entry for 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 to assess 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 charges under the Act.

**111. Presentation of bill for local taxes and rates etc.**— (1) When any sums become due for payment on account of any tax, fee, rate, toll or other charges under the Act, the Chief Officer, or any other officer authorized by him, shall cause to be presented to any person liable for payment thereof a bill for the sum claimed as due.

(2) 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 the Act.

**112. Notice of demand to be issued on non-payment of bill.**— (1) If the sum for which a bill has been presented under section 111 of the Act is not paid within the time specified therein, the Chief Officer or any other officer authorized by him may cause to be served upon the person to whom such bill has been presented a notice of demand.

(2) For every notice of demand under subsection (1), 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.

**113. Payment of local tax etc. and consequences of default.**— (1) A person upon whom a bill or notice of demand has been served under section 111 or 112 of the Act, he shall:

- (a) pay the sum demanded in the bill or notice of demand to the local government concerned as directed in the bill or notice; or
- (b) 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 bill or notice; or
- (c) prefer an appeal in accordance with the provisions of section 115 of the Act against the determination of the Chief Officer under section 114.

(2) Where a person does not pay the sum demanded, or object and show cause or prefer an appeal under subsection (1) of section 115, the Chief Officer may refer a case for the recovery of such sums as an arrear of land revenue to the respective Collector and proceed under section 171 of the Act or otherwise in a manner as may be prescribed.

(3) Every person liable to pay tax, fee, rates, rents or other charges imposed by the local government shall be personally liable to pay such tax, fee etc. directly to the local government or its authorized person:

**114. Investigation of objections by Chief Officer.**— (1) The Chief Officer shall cause all objections made before him under section 113 of the Act, be entered in a register maintained for the purpose and give a notice in writing to the objector of a time and place at which his objection shall be investigated.

(2) The Chief Officer or any other officer authorized by him shall decide the objection within fifteen days, after hearing the objector or his authorized agent.

(3) 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.

(4) The Chief Officer shall cause to be immediately delivered to the objector, free of any charge, a certified copy of the order made under subsection (3).

**115. Appeal against the order of Chief Officer.**— (1) A person aggrieved from the order of a Chief Officer under section 114 of the Act, may, within thirty days of the receipt of such order, file an appeal before Head of the local government which shall be decided within thirty days.

(2) No appeal shall be entertained by Head of the local government unless it is made in writing and is accompanied by an order of the Chief Officer appealed against.

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

**117. Payments to be made in authorized banks against receipts.**— (1) All sums on account of a tax, fee, rate, rent and any other charges under the Act shall be paid to the local government through an authorized bank either manually or electronically unless 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, rent, toll or other charge under the Act, a receipt, stating amongst others, the amount and tax, fee, rate, toll or other charges on account of which it has been paid, shall be tendered by the person receiving such payment on behalf of the local government.

**118. Writing off of irrecoverable taxes, fee, etc.**— (1) At the close of each financial year, every Head of the local government shall prepare a statement of all such sums due to the respective local government on account of any tax, fee, rate, toll or other charges which, in his opinion after consideration of material facts, are irrecoverable:

Provided that the Head of a local government shall formulate his opinion in consultation with the Chief Officer and in charge of the Finance Wing of the respective local government.

(2) The Head of a local government 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 120 of the Act.

(3) 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 reasonable fee as may, from time to time, be fixed by the Council.

**119. Tax, fee, etc. not to become invalid for a defect in form.**— No assessment of value, or charge or demand of any tax, fee, rate, rent, toll or other levy made under the Act, shall be called in question or in any way be effected by reason of:

- (a) any mistake in the name, residence, place of business or occupation of any person liable to pay such tax, fee, rate, rent, toll or other charges; or
- (b) any mistake in the description of any property, service or thing liable to such tax, fee, rate, toll or other charges; or
- (c) any mistake in the amount of assessment of such tax, fee, rate, rent, toll or other charges; or
- (d) any clerical error; or
- (e) any other defect of form.

**120. Records pertaining to valuation, assessment and collection of local tax, fee, etc.**— (1) The Chief Officer shall prepare and maintain records pertaining to valuation, assessment and collection of all taxes, fees, rates, rents, tolls and other charges levied by the local government in such manner as may be prescribed.

(2) All records prepared and maintained by the Chief Officer under subsection (1), shall be authenticated by the Head of the respective local government.

(3) 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) for public inspection and shall, on an application by 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.

**121. Appointment of an agency or officer for collection of local tax, fee, etc.**— (1) In the interest of economy, efficiency and effectiveness, the Chief Minister 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, rent, toll, or other charges shall also collect one or more taxes, fees, rates, tolls, rents or other charges on the behalf of one or more local governments and provisions relating to the authority of the Chief Officer in relation to collection of local tax, fee, rate, rent, toll or other charges under the Act shall mutatis mutandis apply on that agency or officer.

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

#### CHAPTER - XXI

#### INTER-GOVERNMENTAL FISCAL TRANSFERS

**122. 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 123 of the Act.

**123. 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 the Act and at least six months prior to the commencement of every fifth financial year thereafter, the Finance Commission shall make recommendation to the Government for establishing formulae for determining:

- (a) the size of provincial allocable amount in accordance with the principles set out in section 126 of the Act; and
- (b) the share of individual local governments from the provincial allocable amount in accordance with the principles set out in section 127 of the Act.

(2) Not less than two months before the commencement of each financial year, the Finance Commission shall make recommendation to the Government in respect of:

- (a) the value of provincial allocable amount for that financial year as per formula determined under clause (a) of subsection (1); and
- (b) the moneys to be transferred to each local government in the Province as per formula determined under clause (b) of subsection (1).

(3) The Government shall, within twenty-one days of the receipt of a recommendation under subsection (1) or subsection (2) may:

- (a) accept it; or
- (b) refer it back to the Finance Commission if it considers that it is not in accordance with the Act or suffers from a factual error.

(4) 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.

(5) 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 the Act, approve the aforesaid formulae and, where required, also allocate provincial allocable amount and the share of individual local governments from the provincial allocable amount.

(6) 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 of the Punjab as part of the Finance Bill for the relevant financial year.

**124. Duty of Finance Commission to consider views of Government and local governments.**— In preparing a recommendation for the Government under section 123 of

the Act, the Finance Commission may inform itself in the way it considers appropriate and shall also receive, table, consider and decide any submission made to it by the Secretary or a local government in this respect.

**125. Term of formulae on share of local governments and their revision.**— (1) After their approval by the Government, formulae referred to in section 123 of the Act shall remain in force for the following five financial years.

(2) The Finance Commission shall, at least six months prior to the expiry of enforcement period of a formula referred to in subsection (1), make recommendation to the Government for establishing a fresh formula.

(3) 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 a new formula is approved.

**126. Determination of provincial allocable amount.**— (1) The provincial allocable amount shall constitute as determined under section 93(1)(a).

(2) The grant in lieu of Octroi and Zilla Tax being received by local governments at the commencement of the Act shall be included in the provincial allocable amount to meet the minimum threshold fixed at subsection (1).

(3) Where, after the commencement of the Act, the Government withdraws any local tax, fee, rate, toll or any other charge of a local government in lieu of an equivalent grant, such grant shall not be included in the provincial allocable amount but shall be transferred to the local governments by the Finance Commission till next award in accordance with the principles set out in section 127 of the Act.

(4) The final value of the provincial allocable amount shall be worked out on the basis of actual receipts of the Province during a given financial year and any adjustments shall be made accordingly in that or the following financial year.

**127. 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:

- (a) 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 the Act;
- (b) equalization payments that are the moneys transferred to the local government to compensate for comparative poverty and backwardness of the local area;
- (c) fiscal capacity that is the potential of the local government to raise local taxes, toll, fees, rates and other charges under the Act;
- (d) fiscal effort that is the local government is compensated for collecting higher local taxes, toll, fees, rates, rents and other charges as against the potential to raise them;
- (e) 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
- (f) quality of public services that is the local government is compensated for maintaining higher quality of public services.

(2) The provincial allocable amount shall be transferred to the local governments through any one or more of the following means:

- (a) general purpose transfers worked out on the basis of principle given at clause (a), (b) and (c) of subsection (1); and
- (b) performance grants worked out on the basis of principles given in clause (d), (e) and (f) of subsection (1).

**PART 5**  
**COMMUNITY EMPOWERMENT AND MOBILIZATION**  
**CHAPTER XXII**  
**COMMUNITY BASED ORGANIZATIONS**

**128. Composition of Community Based Organizations.**—(1) In every local area, groups of non-elected citizens may, through voluntary, proactive and self-help initiatives, set up any number of Community Based Organizations, as may be prescribed.

(2) Community Based Organizations shall be set up for the purposes of development of municipal infrastructure or rendering services within its local area relating to its functions.

(3) A Community Based Organization shall be registered with the concerned local government, to be renewed on annual basis.

(4) A Community Based Organization shall have a general body consisting of not less than twenty members who shall elect a President, General Secretary and Executive Committee of not less than twelve members of such Organization for carrying out its functions.

(5) The term of office of President, General Secretary and Executive Committee of a Community Based Organization shall be two years extendable, through election, for a similar term or terms by the general body.

(6) The liability of the Executive Committee of a Community Based Organization, its office holders and members shall be determined in the manner as may be prescribed.

(7) Notwithstanding anything to the contrary contained in subsection (1), no person shall be eligible to set up a Community Based Organization or become its member or hold the office of the President or General Secretary of a Community Based Organization, if such person—

- (a) is a minor; or
- (b) is of unsound mind; or
- (c) has applied to be adjudicated as an insolvent and his application is pending; or
- (d) is an undischarged insolvent; or
- (e) is a defaulter under law and his name has been published as such; or
- (f) is a contractor.

(8) The Community Based Organization shall monitor the execution of a scheme and may submit proposals to the local government.

(9) The Community Based Organization shall submit report on completion of such scheme, which shall be laid in the House of local government.

**129. Conduct of business.**—(1) All business of the Community Based Organization shall be disposed of in its meetings which shall be presided over by the President.

(2) The quorum of a meeting of the general body of the Community Based Organization shall be two-thirds of its total membership.

(3) The Executive Committee of the Community Based Organization shall hold its meeting at least once in every three months.

(4) The quorum of the meeting of the Executive Committee of the Community Based Organization shall be fifty percent of the total membership of the Executive Committee.

(5) The General Secretary of the Community Based Organization shall be responsible for recording the proceedings of the meetings and maintaining financial and accounting records.

(6) The Community Based Organization may, in its general meeting, remove any member or office holder by a resolution on account of unsatisfactory performance or misconduct.

(7) The President and General Secretary shall be responsible for the safe custody and management of property and assets of the Community Based Organization.

(8) All funds of the Community Based Organization shall be kept in National Bank of Pakistan or Bank of Punjab and all transactions shall be made through cheques.

(9) The accounts of the Community Based Organization shall be operated jointly by the President and the General Secretary.

(10) The accounts of the Community Based Organization shall be maintained by the General Secretary of the Organization.

**130. Raising of funds by Community Based Organization.**— The Community Based Organization may raise funds through voluntary contribution of members of the general body of the Community Based Organization.

**131. Community Based Organization to be a non-profit organization.**— (1) The Community Based Organization shall be a non-profit organization and its assets shall be used solely for the attainment of its objectives.

(2) The properties of a Community Based Organization shall vest and be held in the name of its Executive Committee and may sue and be sued in the name of its Executive Committee.

(3) No portion of a Community Based Organization's funds shall be paid by way of salary, dividend, profit or bonus or otherwise be distributed to any of its members or contributors.

(4) In case of dissolution or de-registration, assets of a Community Based Organization shall pass on to the local government concerned, and such assets shall continue to be used for community welfare by the local government through any of its agencies or any other Community Based Organization designated by such local government in this behalf.

**PART 6**  
**ACCOUNTABILITY, TRANSPARENCY, OVERSIGHT AND RESPONSIVENESS**  
**CHAPTER XXIII**  
**INTERNAL CONTROLS**

**132. Power of the Council to remove a Head of the local government, Deputy Mayor and Vice Chairperson.**— (1) Subject to subsection (2) and (3), the Head of local government, Deputy Mayor and Vice Chairperson, shall cease to hold office, if a vote of no-confidence is passed against him by simple majority of the total number of members of the local government, through division of house in the manner as may be prescribed.

(2) A motion of no-confidence shall not be moved before the expiry of one year of assumption of office by the Head of a local government, Deputy Mayor and Vice Chairperson.

(3) Where a motion of no-confidence against the Head of a local government, Deputy Mayor or Vice Chairperson has been moved and fails for want of the requisite majority of votes in a meeting, no similar motion shall be moved against him before the expiry of one year from the date when such motion failed.

**133. Oversight through committees of the Council.**— (1) A Council may constitute such monitoring committees as it deems appropriate to oversee and report upon the performance of local government in its functions and ancillary matters.

(2) For the purposes referred in subsection (1), a monitoring committee shall report upon:

- (a) achievement of any targets set out by the Head of the local government or the Council;
- (b) degree of responsiveness of the local government to citizens needs; and
- (c) access to and quality of public services delivered by the local government.

(3) Upon consideration of report submitted by the monitoring committee, the Council may, through a resolution passed with simple majority of votes of members present and voting, require the Head of the local government to take such action as it considers appropriate to effect improvement or remedy a defect or irregularity:

Provided that the concerned officer of the local government shall cooperate with the monitoring committee to meet its goals.

(4) 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 by the respective Council.

**134. Internal inspections.**— The Head of a local government 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 he may consider appropriate.

**135. Internal inquiries.**— The Head of a local government 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.

**136. Complaint cell.**— The local government shall set up a complaint cell or an electronic platform for redressal of grievances within the ambit of its responsibilities under the Act.

**137. Right to access to information.**— (1) A resident may seek any information relating to the functions 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 a request.

## CHAPTER XXIV

### TRANSPARENCY

**138. General rules of conduct.**— The elected representative, Chief Officer, officer, and servant of the local government shall act honestly, fairly and transparently and exercise powers with due care and diligence.

**139. Conflict of interest.**— (1) For the purpose of this Chapter, an elected representative, Chief Officer, officer or servant of the local government or any other relevant 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:

- (a) he or any of his immediate relatives, or his employer or employee in relation to that contract, proposed contract or any other matter:
  - (i) would receive or have a reasonable expectation of receiving, a direct or indirect pecuniary or some other benefit, share or interest; or
  - (ii) would suffer or have a reasonable expectation of suffering, a direct or indirect pecuniary or some other detriment; or
  - (iii) 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
- (b) 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
- (c) 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.

(2) 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.

**140. Duty to abstain from proceedings in case of conflict of interest.**— 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 elected representative, Chief Officer, officer or servant of that local government or any other relevant person, who has a conflict of interest in respect of such contract, proposed contract or any other matter shall:

- (a) if he is present at the meeting, forthwith disclose the nature of his conflict of interest and leave the meeting after notifying the Speaker or the person presiding the meeting or the chairperson of the committee or sub-committee, as the case may; and
- (b) if he has a prior knowledge of the consideration or discussion as aforesaid, disclose the nature of his conflict of interest to the Speaker or the chairperson of the committee or sub-committee, as the case may be, and abstain from the meeting.

**141. Misconduct.**— For the purpose of the Act, an elected representative, Chief Officer, officer or servant of the local government, or any other person shall be guilty of misconduct if he:

- (a) violates any provision of the Code of Conduct prescribed under the Act;
- (b) derelicts from duty or shows gross negligence in performance of duties with manifest wrongful intent;
- (c) knowingly violates any provision of the 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;
- (e) exercises powers or authority vested in him under the 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

- (f) attempts at, or abets any act which constitutes misconduct under this section.

**142. Certain orders to be in writing or to be reduced to writing.**— (1) The Head of local government, Deputy Mayor, Vice Chairperson, Speaker, 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:

- (a) the Act or any other law for the time being in force requires that the act shall be done through a written order;
- (b) the act pertains to exercise of any authority under the Act or any other law for the time being in force;
- (c) the act is, in view of the Head of local government or the Chief Officer, of sufficient importance; and
- (d) it has been required as such by the Government for the purposes of this section.

(2) A verbal instruction which in view of the officer or servant of the local government receiving it:

- (a) requires a written order in terms of subsection (1), shall be referred back by him to the authority giving such instruction for obtaining a written order;
- (b) is lawful and otherwise appropriate and requires immediate action, shall be acted upon and thereafter reduced to writing and submitted by him to the authority giving such instruction for confirmation;
- (c) is unlawful or otherwise inappropriate, shall forthwith be reduced in writing and submitted by him to the authority giving such instruction with the reasons for considering the instruction unlawful or, as the case may be, inappropriate; or
- (d) is lawful and otherwise appropriate but does not require immediate action, shall be reduced in writing and submitted by him to the authority giving such instruction for approval before acting upon.

**PART 7**  
**GOVERNMENT - LOCAL GOVERNMENTS RELATIONS**  
**CHAPTER - XXV**  
**OVERSIGHT BY THE GOVERNMENT**

**143. Supervision of local governments.**— (1) The Chief Minister 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) The Minister may, by a general or special order, direct a local government to take any measure in the public interest, where situation demands immediate action.

(3) The Secretary shall exercise supervision and general control over the local governments to ensure that they act in the public interest and perform their functions strictly in accordance with the provisions of the Act and all other relevant laws for the time being in force.

(4) The Secretary may direct office of Directorate General (Inspections and Monitoring) to probe into any matter relating to the functions of the local government or conduct of employees of the Local Government Service, Local Council Service and the Directorate General and submit a fact finding report with specific recommendations to deal with the matter.

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

(6) The Secretary, may issue an advice on general matters relating to the work of local governments which shall be consistent with the Act and rules.

**144. Power to call for information.**— (1) The Chief Minister, Minister or Secretary may, through a general or specific order, require a local government to provide, by such time or at such intervals as is specified in that order:

- (a) 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;

- (b) a resolution of the Council or any record pertaining to such resolution;
- (c) bye-law promulgated by the local government or any record pertaining to such bye-law;
- (d) an order or instruction of the elected official or any officer or servant of the local government and record pertaining to such order or instruction;
- (e) a document, return, statement, estimate, statistics or other information regarding any matter pertaining to or under the control of the local government;
- (f) a report on any matter pertaining to or under the control of a local government; and
- (g) a copy of a document in his charge or under the control of a local government.

(2) The elected official, officer and servant of the local government shall provide such information, documents and record for the purposes of this section.

**PART 8**  
**COORDINATION AND CONFLICT MANAGEMENT**  
**CHAPTER - XXVI**  
**PUNJAB LOCAL GOVERNMENT COMMISSION**

**145. Establishment of the Punjab Local Government Commission.**—(1) Soon after the commencement of the Act, the Government shall constitute the Punjab Local Government Commission.

- (2) The Commission shall consist of:
  - (a) the Minister as Chairperson;
  - (b) six members of Provincial Assembly of the Punjab, nominated by Speaker of Punjab Assembly, in consultation with leader of political parties, in proportion to the seats held by political parties in the Punjab Assembly;
  - (c) the Secretary as secretary of the Commission;
  - (d) Secretary, Government of the Punjab, Law and Parliamentary Affairs Department; and
  - (e) five expert members including two women to be nominated by the Chief Minister in terms of section 148 of the Act;

(3) 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 Chairperson for such period.

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

(5) 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.

(6) The members of the Commission shall be paid such remuneration as the Government may, from time to time, determine and the honorarium of a member shall not be varied to his disadvantage during his term in office.

(7) If the Commission is not constituted within forty-five days under this section, the ex-officio members of the Commission may perform functions of the Commission till its constitution.

**146. Term of office and removal of members.**—(1) The Minister and Secretaries referred to in section 145 of the Act shall be ex officio members of the Commission.

(2) A member of the Commission mentioned under clause (e) of subsection (2) of section 145 of the Act shall hold office for five years and may, at any time, resign from office under his hand to the Chairperson of the Commission.

(3) The Chief Minister may, after due notice and inquiry, remove any member of the Commission, not being ex officio member, 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 shall not be eligible for appointment as a member of the Commission if he has previously been removed from his office under subsection (3).

**147. Casual vacancy.**—(1) Where the position of a member, not being the Minister or Secretaries to the Government, becomes vacant on account of his resignation, removal,

death or for any other cause, the Chief Minister 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 remaining period of the term of office of the member whom he replaces.

**148. Eligibility for appointment of expert members.**— (1) A person shall be eligible for appointment as an expert member under section 145 of the Act, only if:

- (a) he has at least sixteen years' education from an institution recognized by the Higher Education Commission of Pakistan, in a discipline related to one or more functions of the Commission, possesses special knowledge of local government and its work with at least ten years' relevant experience in municipal services and finance, public administration and local governance, law and dispensation of justice, community development or any other related areas relevant for the purposes of the Act; and
- (b) 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 or in which the Government or a local government has a controlling share or interest.

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

**149. Oath of office of member of the Commission.**— Before assuming the charge of office, a member of the Commission shall make an oath in the Form set out in the Third Schedule to the Act before Governor of the Punjab.

**150. Functions of the Commission.**— (1) Without prejudice to other provisions of the Act, the Commission shall:

- (a) steer the implementation of the Act and its transition;
- (b) remove hindrances for the local government to discharge its functions under the Act;
- (c) ensure prescription of subordinate legislations;
- (d) recommend amendments in the legislations and subordinate legislations;
- (e) conduct annual and special inspections of the local governments and submit its reports to the Chief Minister;
- (f) conduct an inquiry by itself or through any other Government entity about any matter concerning a local government or a defunct local government;
- (g) resolve the dispute between any Department of the Government and a local government or between two or more local governments;
- (h) probe into the matters referred to it by the Government, Chief Minister, Minister, Member of the Provincial Assembly of the Punjab, Secretary, Head or a Chief Officer and give its decision on such matter;
- (i) conduct social and performance audit of a category of the local government or a defunct local government on the basis of specific performance indicators through a third party and publish the report of such audit;
- (j) submit an annual report on the over-all performance of the local governments to the Chief Minister and Provincial Assembly of the Punjab;
- (k) take cognizance of violations of laws and rules by a local government or a defunct local government;
- (l) hear and decide appeal against rent assessed by Rent Assessment Committee under subsection (10) of section 99; and
- (m) hear and decide representations regarding unfair local taxes.

(2) The decision of the Commission shall be binding on the local government, failing which, the Commission may report the matter with specific recommendations to the Chief Minister for appropriate action.

(3) The Chief Minister may, on the recommendation of the Commission, suspend an elected representative for a maximum period of ninety days for fair conduct of inquiry under subsection (1) or for preventing such elected official from continuing with any unlawful activity during the pendency of the inquiry.

(4) Where, on an inquiry under subsection (1), the elected official is found guilty of misconduct by the Commission, the Commission shall recommend to the Chief Minister any appropriate action including removal of such elected official, and the Chief Minister may pass appropriate orders including the removal of such elected official.

**151. Power of the Commission to suspend and set aside certain resolutions or orders of the local government.**— (1) The Commission may, through a written order, suspend a resolution or order of a local government if it finds that the resolution or order is:

- (a) not in conformity with the Act, rules or bye-laws or any other law for the time being in force; or
- (b) is likely to lead to a breach of peace or to cause injury or annoyance to the public or any class or body of a person.

(2) A copy of the order under subsection (1) shall be sent to the respective the Head of local government who shall consider the matter afresh.

(3) The local government shall, after taking the matter into consideration, pass a resolution or an order afresh and send a copy thereof together with a copy of the proceedings relating to that resolution or order to the Commission.

(4) The Commission may, after considering the resolution or the order passed under subsection (3) and the proceedings related to that resolution, either cancel, modify or confirm the order passed under subsection (1) or take such other action in respect of the matter including setting aside of the resolution or order, if it considered 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 Commission shall cease to have effect from the date of setting aside of the resolution or order.

**152. Certain powers of a court to vest upon the Commission.**— (1) The Commission shall have the powers of a civil court under the Code of Civil Procedure, 1908 (V of 1908) in respect of:

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) compelling the production of documents;
- (c) receiving evidence on affidavits; and
- (d) issuing commission for the examination of witnesses.

(2) The Commission shall be deemed to be a Court within the meaning of sections 480 and 482 of the Code.

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

(2) All decisions of the Commission shall be made through a simple majority vote of the members present and voting.

(3) A meeting of the Commission shall be open to public unless the members present, by a two third majority vote, consider that public information of the proceedings of the meeting shall be prejudicial to public interest.

**154. Cooperation with the Commission.**— (1) The Commission may require a local government, office or authority in the Province or any person to render such assistance or to make available such information or records which it reasonably requires for the purposes of the Act.

(2) Every local government, office or authority in the Province or other person shall render assistance or make available such information or record as required by the Commission under subsection (1).

**155. 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 Province.

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

(4) The Directorate General (Inspections and Monitoring), if so required, shall assist the Commission in conduct of inspection, inquiries, monitoring and implementation of the directions of the Commission.

**PART 9**  
**PLANNING AND DEVELOPMENT**  
**CHAPTER – XXVII**  
**PLANNING AND DEVELOPMENT**

**156. Local development plan.**—(1) Within six months of the assumption of office, Head of the local government shall prepare a local development plan of the respective local area in relation to the functions of the local government under the Act during the next five years.

(2) A local development plan shall be prepared in such form and in such manner as the Secretary may by an order specify and, amongst others, shall include:

- (a) objectives of the local government with respect to development of local area;
- (b) strategies for achievement of these objectives and indicators for monitoring such achievement; and
- (c) resource plan describing financial and other resources required for the attainment of stated objectives and how such resources shall become available to the local government.

(3) Before the commencement of a financial year, Head of the local government shall prepare a draft local government annual development plan of construction or other works and activities by or on behalf of the local government to be carried out during that financial year.

(4) A draft local government annual development plan prepared under subsection (3) shall be aligned to and contribute towards the objectives of the local development plan.

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

(2) A proposal under subsection (1) may be initiated by any of the following:

- (a) Deputy Mayors;
- (b) Vice Chairpersons;
- (c) Member;
- (d) Chief Officer;
- (e) Council through a resolution;
- (f) resident of the local area; and
- (g) Union Council located in the relevant local area.

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

(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.

**158. Approval of the local government annual development plan.**—(1) The Head of local government shall present the draft local government annual development plan before the Council at a meeting.

(2) The Council may, with a simple majority of members present and voting, approve the draft local government annual development plan with or without any modification.

**159. Local government to maintain public service infrastructure maps.**—The local government shall prepare and maintain detailed maps of the infrastructure relating to public services provided by it under the Act or any other law for the time being in force.

**PART 10**  
**REGULATION AND ENFORCEMENT**  
**CHAPTER - XXVIII**  
**MUNICIPAL OFFENCES AND THEIR COGNIZANCE**

**160. Offences, punishments and their cognizance.**—(1) Subject to any other law for the time being in force, the offences specified in the Seventh and Eighth Schedules shall be liable to punishment by way of imprisonment, fine, seizure, forfeiture, confiscation, impounding and such other penalties as are provided in the Act.

(2) If a person commits an offence specified in:

- (a) Part-I of Seventh Schedule, such person shall be punishable with imprisonment for a term which may extend to seven years, or with fine which may extend to five hundred thousand rupees or with both and where an accused was directed by the Inspector for immediate discontinuance of the offence, the Court may impose a further fine which may extend to fifty thousand rupees for every day for the period the accused has persisted in the offence from the date of its commission;
- (b) Part-II of Seventh Schedule, such person shall be punishable with imprisonment for a term which may extend to three years, or with fine which may extend to one hundred thousand rupees or with both and where an accused was directed by the Inspector for immediate discontinuance of the offence, the Court may impose a further fine which may extend to ten thousand rupees for every day for the period the accused has persisted in the offence from the date of its commission;
- (c) Part-III of Seventh Schedule, such person shall be punishable with imprisonment which may extend to six months or fine which may extend to twenty five thousand rupees or with both and where an accused was directed by the Inspector for immediate discontinuance of the offence, the Court may impose a further fine which may extend to five hundred rupees for every day for the period the accused persisted in the offence from the date of its commission; and
- (d) Eighth Schedule, such person shall, in the first instance, be liable to fine by issuing a ticket specified in Ninth Schedule and where an accused repeats the offence within a period of three months for which the accused was subjected to fine, he shall be liable to the same punishment as provided in clause (c).

(3) If an offence of illegal dumping of solid waste and refuse under Part-II of the Seventh Schedule is committed by a person for the first time, he shall be administered a warning; and, in case he repeats the offence within one year from earlier commission, he shall be punished with imprisonment which may extend to three years but which shall not be less than seven days, and with fine which may extend to one hundred thousand rupees but which shall not be less than twenty thousand rupees; and, where an accused was directed in writing by the Inspector for immediate discontinuance of the offence, the Court may impose a further fine which may extend to ten thousand rupees for every day for the period the accused has persisted in the offence from the date of its commission.

(4) The offences specified in clauses (a) and (b) of subsection (2) shall be cognizable and information in this regard shall be forwarded to the officer in charge of a police station or enforcement station by the Inspector after prior approval of the Chief Officer for registration of a case against the accused in accordance with the provisions of section 154 of the Code.

(5) A Court shall take cognizance of the offences specified in clause (c) of subsection (2) on a complaint made in writing by the Inspector after prior approval of the Chief Officer in accordance with the provisions of section 200 of the Code.

(6) The offences specified in Part-III of Seventh Schedule and Eighth Schedule shall be tried in a summary manner in accordance with the provisions of section 260 to 265 of the Code but the limit of punishment mentioned in subsection (2) of section 262 of the Code shall not be applicable.

(7) The fines imposed by a Court for an offence specified in Eighth Schedule shall on collection be deposited in the Public Account of the local government.

(8) The Government may, by notification in the official Gazette, entrust to a local government the enforcement of any other law.

**161. Appointment and control of Inspectors.**— (1) The Head of local government shall authorize the officials of the local government as Inspectors for the enforcement of the offences specified in the Schedules.

(2) The prescribed officer shall be the controlling authority and administrative head of an Inspector and the Inspector shall report to the officer for the enforcement of provisions of this Chapter.

**162. Imposition of fine through ticketing.**— (1) Notwithstanding anything contained in this Chapter, where any person, in the opinion of an Inspector, is contravening any provision of the law relating to the offences specified in Eighth Schedule, the Inspector shall charge the accused by issuing a ticket in the form given in Ninth Schedule for payment of fine specified in Eighth Schedule, if such offence has been committed for the first time by the accused within three months.

(2) The ticket referred to in subsection (1) shall be issued in quadruplicate by delivering three copies to the accused after obtaining his signatures or thumb impression on the fourth copy to be retained by the Inspector for record.

(3) The fine may be deposited in the bank account of the local government within ten days from the date of imposition of fine for credit in the Public Account of the local government.

(4) The person to whom a ticket has been issued under this section may either contest the imposition of fine in the Court within ten days from the date of the issuance of the ticket or deposit the fine within that period and provide a copy of payment receipt to the office of the local government.

**163. Court proceedings for default in deposit of fine.**— (1) An official or servant of the local government authorized by the Head of a local government shall on weekly basis provide a scroll of all unpaid tickets to the Court.

(2) The Court receiving the scroll shall issue summons to the accused forthwith stating the date of hearing for summary trial in accordance with the provisions of section 260 to 265 of the Code but the limit of punishment mentioned in subsection (2) of section 262 of the Code shall not be applicable.

(3) Where on the first date of hearing, the accused appears before the Court and produces the proof of deposit of fine, or unconditionally admitting his failure, deposits the fine forthwith along with the penalty which shall not be less than ten percent and not more than twenty five percent of the amount of fine determined by the Court in accordance with the procedure provided in subsection (2) of section 388 of the Code further proceedings against the accused may be dropped and no conviction shall be recorded against him.

(4) Upon failure of the accused to appear before the Court in response to the summons issued by it, the Court shall forthwith issue warrants for arrest of the accused and upon issuance of such warrants the accused shall be liable to punishment under clause (c) of subsection (2) of section 160 of the Act.

**164. Compounding of offences.**— Subject to the Act, a local government shall constitute a committee consisting of the Head of local government as its Convener, an officer of the local government and member as its members for compounding the offences.

**165. General powers of Inspectors.**— (1) In case of any serious threat to the public health, safety or welfare or danger to life and property, or where violation of any rule or bye-law is being committed, the Inspector may, in his area of jurisdiction, in addition to imposition of fine or initiating prosecution under the Act:

- (a) suspend any work; or
- (b) seize the goods; or
- (c) seal the premises; or
- (d) demolish or remove the work; or
- (e) issue directions for taking corrective measures within the specified time.

(2) An Inspector shall not enter any dwelling unit without permission of the occupier or the Court.

(3) An Inspector authorized under section 161 of the Act may, in relation to the offences specified in Seventh Schedule:

- (a) issue notices in writing on behalf of the local government;
- (b) initiate legal proceedings in the court; and
- (c) assist in defending legal proceeding initiated against the local government.

**166. Appointment of Municipal Magistrates.**— The Government may, in consultation with the Lahore High Court, Lahore, appoint one or more Special Judicial Magistrates under section 14 of the Code, to be called Municipal Magistrates, for cognizance of offences under the Act.

**167. Assignment of powers and functions for regulation and enforcement of offences.**— A local government may, on mutually agreed terms and conditions, assign its regulatory powers and functions for enforcement of one or more offences to the Punjab Enforcement and Regulatory Authority constituted under the Punjab Enforcement and Regulation Act 2024 (XI of 2024).

#### CHAPTER - XXIX

##### OFFENCES RELATING TO CODE OF CONDUCT AND CONFLICT OF INTEREST

**168. Punishment for acting dishonestly.**— In addition to any punishment provided under the Act or any other law for the time being in force, an elected representative, Chief Officer, 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 the 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 or a fine not exceeding two hundred thousand rupees or with both.

**169. Punishment for acting despite conflict of interest.**— A person who has a conflict of interest as defined under section 139 of the Act and he, knowingly and for the purpose of any gain, acts in contravention of any provision of the said section 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 or a fine not exceeding two hundred thousand rupees or with both.

**170. 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 Secretary.

#### CHAPTER- XXX

##### OFFENCES RELATING TO LOCAL TAXES

**171. Punishment for non-payment of tax etc.**— A person against whom a tax, fee, rate, rent, toll or other charge, imposed upon him under the 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, he shall be guilty of an offence punishable with imprisonment for a term not exceeding six months or a fine not exceeding five hundred thousand rupees, or with both.

**172. Cognizance of offences under this Chapter.**— (1) All offences under section 171 of the Act shall be non-cognizable within the meaning of clause (l) of section 2 of the Code.

(2) No court shall take cognizance of an offence under section 171 of the Act except upon a complaint in writing of the respective Chief Officer or a person authorized by him in this behalf.

#### PART 11

#### LOCAL GOVERNMENT SERVICE

#### CHAPTER - XXXI

##### OFFICERS AND SERVANTS OF LOCAL GOVERNMENTS

**173. Schedule of establishment of a local government.**— The local government shall have such number of officers of prescribed service and such number and description of other officers and servants as the Secretary with the approval of the Minister may from time to time determine.

**174. Punjab Local Government Service.**— (1) The local government service continued under the Punjab Local Government Act, 2022 (XXXIII of 2022) shall continue, and be called the Punjab Local Government Service and their terms and conditions of service shall be governed under their respective laws and the rules made thereunder.

(2) The employees of the Punjab Local Government Service shall be appointed through Punjab Public Service Commission on regular basis.

(3) The employees of the Punjab Local Government Service shall be liable to serve anywhere within the province for the purposes of the Act.

(4) All employees of the Punjab Local Government Service appointed through Punjab Public Service Commission against sanctioned posts on contract basis, prior to commencement of the Act, shall stand regularized with immediate effect, subject to fulfilment of codal formalities.

**175. Service cadre for employees of the local governments.**— (1) There shall be a separate service cadre for the employees of the local governments called the Local Council Service.

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

(3) No local government shall recruit employees in excess of the number specified under section 173 of the Act.

(4) All the appointments in Local Council Service in BS-14 and above shall be made through Punjab Public Service Commission.

**176. Continuation of the Punjab Local Government Board.**— (1) The Punjab Local Government Board, hereinafter called the Board, continued under section 182 of the Punjab Local Government Act, 2022 (XXXIII of 2022) 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.

(3) The Directorate General (Inspections and Monitoring) shall continue and consist of a Director General (Inspections and Monitoring) who shall be an officer of the prescribed service not below the rank of BS-20.

(4) The Board shall consist of such number of officers and officials as may be notified by the Secretary.

**177. Composition of the Board.**— The Board shall consist of the following ex-officio members:

- (a) the Secretary as Chairperson;
- (b) an officer of the prescribed service appointed by the Chief Minister as Secretary of the Board;
- (c) a representative of Finance Department of the Government, not below the rank of Additional Secretary;
- (d) a representative of Regulations Wing of Services and General Administration Department of the Government, not below the rank of Additional Secretary; and
- (e) a representative of Law and Parliamentary Affairs Department of the Government, not below the rank of Additional Secretary.

**178. 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:

- (a) deal with service matters of the officers and servants of the Board, the Punjab Local Government Service and such servants of the Local Council Service as may be prescribed;
- (b) set up and maintain common service for all the local governments, including those relating to the training of officers and servants of local governments;
- (c) undertake research and policy work relating to any aspect of the local governments;

- (d) support the Government and local governments in adherence to the Act and other relevant laws; and in fair, just and transparent working of the local governments;
- (e) 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, Punjab Local Government Service, investment of such receipts and payment of pension and other post-retirement benefits;
- (f) set up and operate one or more other funds as may be required in relation to its work; and
- (g) perform such other functions as may be prescribed.

(2) All expenditures of the Board shall be contributed by local governments in the Province 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.

**179. Punjab Local Government Academy.**— (1) There shall be an Academy, called as Punjab Local Government Academy, for training and capacity building of officers, servants and elected officials of the local governments with its main campus located at Lahore, and sub-campus(es), as may be notified by the Secretary with approval of the Minister:

Provided that the Punjab Local Government Academy, Lalamusa shall continue under the administrative and financial control of the Directorate General.

(2) The Board of Management of the Academy shall consist upon the following members:

|     |  |                  |
|-----|--|------------------|
| (a) | Minister for the Department;   | Chairperson      |
| (b) | Secretary of the Department;   | Vice Chairperson |
| (c) | Secretary of the Board;  | Member           |
| (d) | Director General, LG&CD Department;  | Member           |
| (e) | upto two expert members having twenty years' experience in the field of local governance, as may be nominated by the Minister; | Members          |
| (f) | a retired officer of Local Government Service not below the rank of BS-19, as may be nominated by the Minister; and            | Member           |
| (g) | Director (Academy).  | Secretary        |

(3) The members at clauses (e) and (f) of subsection (2) shall not hold the office for a period of more than three years.

(4) The Academy shall consist of such number of officers and officials, as may be notified by the Secretary.

(5) The Board shall establish a Fund to be known as Punjab Local Government Academy Fund, which shall vest in the Academy and to which shall be credited all sums received by the Academy including the funds contributed by the Board.

(6) The Academy may accept contributions, donations, grants and gifts in the shape of land, vehicle, equipment or any other item that may facilitate functioning of the Academy.

(7) The Academy shall regulate its business on its own, through Regulations approved by the Board of Management.

(8) Director (Academy) shall be an officer of the prescribed Service, not below the rank of BS-19, as may be appointed by the Secretary.

(9) Director (Academy) shall be the Principal Accounting Officer of the Academy and shall be responsible for general administration, management and supervision of the academy.

(10) The member may receive such honorarium, as may be determined by the Chief Minister.

**PART 12  
ADJUDICATION  
CHAPTER - XXXII  
APPEALS**

**180. Appeals.**— Any person aggrieved by an order passed under the Act, rules or bye-laws, by a local government or its officers or servants or other functionaries, may file an appeal to such authority, in such manner and within such period as may be prescribed and order of such authority shall be final.

**CHAPTER – XXXIII**  
**BAR OF JURISDICTION OF COURTS**

**181. Jurisdiction of courts barred.**— No suit, prosecution, or other legal proceedings shall lie in respect of any matter covered under the provisions of the Act.

**182. Indemnity of actions taken in good faith.**— No suit, prosecution, or other legal proceedings shall lie against any public servant serving in local government for any act done or function performed in good faith under the Act.

**PART 13**  
**MISCELLANEOUS**  
**CHAPTER - XXXIV**  
**MISCELLANEOUS**

**183. General powers of local governments.**— Notwithstanding any specific provision of the Act, every local government shall perform their functions conferred by or under the Act and in performance of their respective functions, shall exercise such powers and follow such procedures as are enumerated in the Sixth Schedule.

**184. Delegation of Powers by the Head.**— A Head may delegate any of his powers under the Act or rules or bye-laws to any Deputy Mayor or Vice Chairperson, member, Chief Officer or any other officers of the local government, partly or fully, and subject to such restrictions or conditions as he may deem fit, after approval by the Council concerned.

**185. All elected officials, Chief Officers, other officers and servants of the local governments to be public servants.**— All elected officials, Chief officers, other officers and servants of the local government and any other person authorized to act under the Act, shall be deemed to be a public servant within the meanings of section 21 of the Pakistan Penal Code (XLV of 1860).

**186. Remuneration and allowances etc.**— With the previous approval of the Government, a Council may, with a simple majority of vote, allow such remuneration, honoraria, allowance and other benefits to the elected officials, within the approved limit as may be notified by the Government.

**187. Training of functionaries of local governments.**— A local government shall, in annual budget, allocate funds for the training of various elected officials and non-elected functionaries of the local government.

**188. Bar against employment of the elected officials in the local government.**— No elected official of a local government shall be employed by or under that local government unless a period of one year has lapsed since he ceased to hold such elected office.

**189. Rules.**— (1) The Government may, by notification in the official Gazette, make rules for carrying out the purposes of the Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the matters specified in Part-I of Fifth Schedule.

(3) The rules made under subsection (1) shall meet the following considerations:

- (a) consistency with democratic decentralization and subsidiarity;
- (b) enhancement of welfare of the people;
- (c) fairness and clarity; and
- (d) natural justice and due process of law.

**190. Bye-laws.**— (1) Subject to the provisions of the Act and the rules made thereunder, a local government shall, in its ambit of responsibilities, make bye-laws to carry out the purposes of the Act.

(2) In particular and without prejudice to the generality of the fore-going power, such bye-laws shall provide for all the matters specified in Part-II of the Fifth Schedule.

(3) A local government, if required so by the Commission through an order in writing shall, within ninety days of receipt of such order, by notification in the official Gazette, make bye-laws not inconsistent with the Act and rules.

(4) Where a local government fails to meet the requirements of subsection (3), the Commission may prescribe bye-laws for that local government which shall be notified by that local government.

**PART 14**  
**TRANSITION AND REPEAL**  
**CHAPTER - XXXIV**  
**TRANSITIONAL ARRANGEMENTS**

**191. Continuation of public services.**— (1) All defunct local governments and any other offices, agencies, companies or authorities established under Punjab Local Government Act, 2013 (XVIII of 2013) shall continue providing public services in their respective local areas without any interruption till such time new local governments are constituted under the Act.

(2) Subject to any other relevant law, all officers and servants of the defunct local governments shall continue to discharge their respective duties and exercise their powers with the successor local governments under the Act, till such time they are assigned or transferred to any other local government.

(3) Nothing in this section shall preclude the Government from appropriately re-organizing the defunct local governments or for that matter reorganizing or reassigning any other office or authority established under the Punjab Local Government Act, 2013 (XVIII of 2013).

**192. Interim maintenance of offices and Authorities to be transferred to local governments under the Act.**— Pending the transfer of control of the office, agency or Authority to be transferred to local governments under the Act, any public service, or duty or other function which at the commencement of the Act is being undertaken or performed by that office, agency or authority shall, notwithstanding any provision of the Act, continue to be undertaken by that office or authority till such time it is transferred to the local government.

**193. Fiscal transfers and taxes etc. to continue.**— (1) On coming into force of the 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.

(2) All taxes, cess, fee, toll, rates, rent, fee or other charges which were being charged under any repealed law shall continue to be charged under the Act, and every person liable to pay such tax, cess, fee, toll, rate, rent, fee or other charge shall continue to pay, unless such tax, cess, fee, toll, rate, rent, fee or other charge is revised, withdrawn or varied under the Act.

**194. Fiscal transfers and budget of the succeeding local governments for the first year in office.**— (1) If for any reason, on the date of assumption of office by a local government under the Act for the first time, no Finance Commission has been established under the Act, provincial allocable amount and the share of transfers to local governments from the provincial allocable amount shall be determined by an interim committee constituted by the Government, having such constitution and powers as may be determined by the Government.

(2) Notwithstanding anything contained in the Act, where a local government assumes office under the Act during the currency of a financial year, the estimate of receipts and expenditure of that local government for that year shall cover the remaining period.

**195. Salaries and emoluments of officers and servants of the local governments during transition.**— On their allocation, re-allocation or transfer under the Act, the salary, pensionary benefits and other emoluments of the officers and servants of the defunct local governments and any other office, agency or authority providing public services before the commencement of the Act, shall not be reduced or varied to their detriment.

**CHAPTER – XXXVI**  
**REPEAL AND SAVINGS**

**196. Repeal and Savings.**— (1) The Punjab Local Government Act, 2022 (XXXIII of 2022) is hereby repealed.

(2) Save as otherwise provided, the repeal of laws under subsection (1) shall not affect:

- (a) the previous operation of the laws repealed under subsection (1), or any other previously repealed local government law, or anything duly done or made thereunder;
- (b) any right, privilege, obligation or liability acquired, accrued or incurred under the repealed local government laws;

(c) any penalty, forfeiture or punishment incurred in respect of any offence committed under the repealed local government laws; and

(d) 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, 2022 (XXXIII of 2022) or any other previously repealed local government law; has not been repealed.

(3) Notwithstanding repeal under subsection (1), anything done or any action taken under the Punjab Local Government Act, 2022 (XXXIII of 2022) or any other previously repealed local government law, including:

- (a) every proceeding, appointment, notification, notice, license, rule, regulation, bye-law, resolution or direction issued, made or saved;
- (b) every tax, rent, fee, rate, toll or other charge or sums of money assessed, imposed, collected or due to a local government;
- (c) every scheme drawn up, contracted or executed; and
- (d) every instrument or contract executed;

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

### FIRST SCHEDULE PART-A

**Reserved Seats of Town Corporations, Municipal Corporation except Murree and Tehsil Council**  
(see sections 16, 17 & 18)

| Category of Reserved Seat | Percentage of <i>ex-officio</i> general members   |
|---------------------------|---|
| Women                     | Fourteen (14) percent   |
| Non-Muslim                | Three (3) percent (minimum = 1)<br>(in case of two or more minority seats, at least one shall be a woman) |
| Peasant or Worker         | Five (5) percent (minimum = 1)  |
| Technocrat                | Two (2) percent (minimum = 1)   |
| Youth                     | One (1) percent (minimum = 1)   |
| Disabled                  | One (1) percent (minimum = 1)   |

### PART-B

**Members of House of Municipal Corporation Murree and Municipal Committee**  
(see sections 19 & 20)

| No. of UCs | <i>Ex-officio</i> general members                         | No of <i>ex-officio</i> general members | Reserved members | House       | Women | Worker | Youth | Non-Muslim |
|------------|---|---|------------------|-------------|-------|--------|-------|------------|
| Above 12   | Chairperson, Vice Chairperson and Top One Member          | 39 or above                             | 13               | 52 or above | 5     | 4      | 2     | 2          |
| 9 to 12    | Chairperson, Vice Chairperson and Top One Member          | 27-36                                   | 12               | 39-48       | 4     | 4      | 2     | 2          |
| 7 to 8     | Chairperson, Vice Chairperson and Top Two General Members | 28-32                                   | 10               | 38-42       | 3     | 3      | 2     | 2          |

| No. of UCs | Ex-officio general members                                       | No of ex-officio general members | Reserved members | House | Women | Worker | Youth | Non-Muslim |
|------------|--|----------------------------------|------------------|-------|-------|--------|-------|------------|
| 5 to 6     | Chairperson, Vice Chairperson and Top Three General Members      | 25-30                            | 8                | 33-38 | 3     | 3      | 1     | 1          |
| 3 to 4     | Chairperson, Vice Chairperson and Top Four General Members       | 18-24                            | 6                | 24-30 | 2     | 2      | 1     | 1          |
| 2          | Chairpersons and Vice Chairpersons and Top Seven General Members | 18                               | 5                | 23    | 2     | 1      | 1     | 1          |

Note: If in calculating a percentage, the number of reserved seats does not come out to be a whole number and such number is:

- (a) less than one half, the number shall be rounded down to the next lower number; or
- (b) one-half or more, the number shall be rounded up to the next higher number.

**SECOND SCHEDULE**  
(see section 67)  
**Declaration on Finality of Prophethood**

I, \_\_\_\_\_ son / wife / daughter of (mention here the name of the candidate taking oath) \_\_\_\_\_ do hereby solemnly swear ( mention here the name of father / husband) that I believe in the absolute and unqualified finality of the Prophethood of:

حضرت محمد رسول الله خاتم النبیین صلی اللہ علیہ وعلی آلہ واصحابہ وسلم ] 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 [حضرت محمد رسول الله خاتم النبیین صلی اللہ علیہ وعلی آلہ واصحابہ وسلم ] and that I do neither recognize such a claimant to be Prophet or religious reformer nor do I belong to the Qadiani group or the Lahori group or call myself Ahmadi.

Date:

Signature of the Declarant

**THIRD SCHEDULE**  
(see sections 72, 92 & 149)  
**Oath of Assumption of an Office**  
(in the name of Allah, the most Beneficent, the most Merciful)

I, \_\_\_\_\_ son / wife / daughter of (mention here the name of the candidate taking oath) \_\_\_\_\_ (mention here the name of father / husband) elected / nominated / appointed as \_\_\_\_\_ do hereby declare on oath / 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 under the Punjab Local Government Act, 2025, rules and bye-laws made thereunder and all other applicable laws, honestly, efficaciously and efficiently to the best of my ability;

And that I shall, 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 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 / God, help and guide me (Ameen)

Dated: \_\_\_\_\_

**Countersigned**  
**Signature and seal of the**  
**Designated person to administer Oath**

**Signature of the Declarant**

**FOURTH SCHEDULE**  
(see section 104)  
**Taxes & Fees**  
**PART-I**  
**Town Corporations,**

**Municipal Corporations, Municipal Committee and Tehsil Councils**

- (a) Tax on urban immovable property;
- (b) Tax on transfer of immovable property;
- (c) Water use charges/fee;
- (d) Drainage rate;
- (e) Conservancy rate;
- (f) Fee for approval of building plans, erection and re-erection of buildings;
- (g) Fee for change of land use of a land or building as prescribed;
- (h) Fee for licences, sanctions and permits;
- (i) Fee on the slaughter of animals;
- (j) Fee for establishment of Private Markets;
- (k) Tax on advertisement through sign boards, hoardings, cutouts, neon-signs, pole signs, sky signs and boards; billboards; directional boards, banners, streamers, mopy signs, temporary advertisement structures and stalls, posters, one way visions, hot air balloons and blimps, moving vehicles, electronic display screens including Light Emitting Diode (LED) and Surface Mounted Device (SMD), etc.,
- (l) Toll fee on roads, bridges and ferries maintained by the respective local government;
- (m) Parking fee;
- (n) Fees on sale of cattle;
- (o) Fee for specific services rendered by the office of local government or any of its authority, agency or company;
- (p) Fee on installation of Base Transceiver Station/Tower; and
- (q) Any tax or fee or levy authorized by the Government.

**Part- II**  
**Union Council**

- (a) Fee for registration and certification of birth, marriage, divorce and deaths as prescribed;
- (b) Fee for specific services rendered; and
- (c) Any tax or fee or levy authorized by the Government.

**FIFTH SCHEDULE**  
(see sections 189 & 190)  
**Part - I (Rules)**

- (1) Conduct of Elections.
- (2) Conduct of Business.
- (3) Conduct of meetings.
- (4) Taxation.

- (5) Property.
- (6) Auction of Collection Rights.
- (7) Private Housing Schemes.
- (8) Land Use Plan.
- (9) Local Government Service.
- (10) Servants of Local Governments.
- (11) Budget.
- (12) Accounts.
- (13) Contracts.
- (14) Works.
- (15) Conduct of Inspections.
- (16) Conduct of elected officials.
- (17) Fiscal Transfers.
- (18) Delegation of Financial Powers.
- (19) Births, Deaths, Marriages and Divorces.
- (20) Solid Waste Management.
- (21) Appeal.
- (22) Naming of Roads, Streets and Public Places.
- (23) Business and Neighbourhood Improvement districts.
- (24) Municipal Bonds.
- (25) Land Value Capture.
- (26) Tax Increment Financing.
- (27) Any other set of rules necessary for carrying out the purposes of the Act.

#### **Part-II (Bye-laws)**

- (1) Burial and cremation places.
- (2) Slaughter of animals and maintenance of the slaughterhouses provided, operated, managed or maintained by the local government.
- (3) Regulation of parking.
- (4) Building control.
- (5) Cattle Markets.
- (6) Prevention and removal of encroachments.
- (7) Municipal Libraries.
- (8) street markets.
- (9) Organization and regulation of fairs, shows, tournaments and other public gatherings.
- (10) Licensing.
- (11) Markets.
- (12) Parks and open places.
- (13) Picketing, parking animals or collecting carts or vehicles on any street.
- (14) Throwing or placing any refuse on any street, or in any place not provided or appointed for the purpose.
- (15) Tampering with any main, pipe, or any apparatus or appliance for the supply of water.
- (16) Disposing of carcasses of animals.
- (17) Use of sewer water for farming.
- (18) Flow or drain to be put upon any street, or public place, or into an irrigation channel or any sewer or drain not set apart for the purpose.
- (19) Fixing any bill, notice, placard, or other paper or means of advertisement against or upon any building or place other than the places fixed for the purpose by the local government.
- (20) Fixing of wooden khokhas, plying of handcarts for the sale of goods, and temporary or permanent shops or extensions thereof.
- (21) Watering cattle or animals, or bathing or washing at, or, near a well or other source of drinking water for the public.
- (22) Any other matters as in the opinion of a local government are necessary or expedient to be provided for in the bye-laws to achieve the objectives of the Act.

**SIXTH SCHEDULE**  
(see section 183)  
**GENERAL POWERS OF THE LOCAL GOVERNMENTS**

**Animals**

**1. Prohibition of picketing or tethering in streets.**— No animal shall be picketed or tethered in such streets or places as may be specified by the concerned local government and any animal found picketed or tethered in any such street or place shall be liable to seizure and impounding.

**2. Prohibition against keeping and maintaining cattle.**— (1) Notwithstanding anything to the contrary contained in any other law or any agreement, instrument, custom or usage or decree, judgment or order of any court or other authority, the concerned local government may declare any part of its local area as a prohibited zone.

(2) At any time after declaration under sub-paragraph (1) has been made, the local government may, by general or special notice, prohibit the keeping and maintaining the cattle by any person in the prohibited zone.

(3) No person shall, after the expiry of the period fixed under sub-paragraph (2), keep or maintain cattle in any part of the prohibited zone:

Provided that the prohibition shall not apply to:

- (a) cattle kept bona fide for sacrificial purpose;
- (b) cattle kept for drawing carts or use in mills, with the permission of the local government and subject to such conditions as it may impose;
- (c) cattle under treatment in any veterinary hospital;
- (d) cattle brought to a cattle market demarcated by the local government for the purpose of sale; and
- (e) cattle brought to a slaughterhouse or kept by butchers for the purpose of slaughter within the area demarcated by the local government.

(4) Persons affected by the prohibition order under sub-paragraph (2) to meet their genuine needs may be allowed to keep and maintain their cattle at the places earmarked as "cattle colonies" by the local government on such terms and conditions as it may impose.

**3. Dangerous animals.**— The concerned local government may, by byelaw, establish a complaints mechanism through which complaints against specific dangerous animals can be received and a mechanism to determine if an individual animal against which a complaint has been received is a dangerous animal and such byelaws, among other matters, may provide for the identification, detention, relocation and, as a measure of last resort, humane euthanasia of specific individual animals reported and determined to be dangerous.

**4. Disposal of carcasses.**— Whenever an animal in the charge of a person dies, otherwise than by being slaughtered for sale or consumption or for some other religious purpose such person shall either:

- (a) convey the carcasses within twenty-four hours to a place, if any, fixed by the concerned local government for the disposal of the dead bodies of animals or to a place beyond the limits of its local area, not being a place within two kilometers of such limits; or
- (b) give notice of the death to the local government whereupon the local government shall cause the carcass to be disposed of and charge such fees from the person concerned as the byelaws may provide.

**5. Registration of the sale of cattle.**— The concerned local government may, by byelaws, require that sale of such animals as may be specified shall be registered with the concerned local government in such manner and subject to the payment of such fees as the byelaws may provide.

**Animal Trespass**

**6. Power to seize.**— (1) A cultivator, tenant, occupier, vendee or mortgagee of any land or crop or produce or any part thereof or any person who has advanced cash for the cultivation of crop may seize or cause to be seized any animal trespassing on such land and doing damage thereto, or any crop or produce thereon, to send them or cause them to be sent within twenty-four hours to a pound established under the Act.

(2) Persons in charge of public roads, play grounds, parks, plantations, canals, drainage works, embankments and the like, or the officers of police, may seize or cause to be seized animals doing damage thereto, and shall send them or cause them to be sent, within twenty-four hours of the seizure, to the nearest animal pound.

**7. Pounds.**— The concerned local government may establish such number of animal pounds, as may be necessary and may fix, from time to time, the location of the animal pounds, the rate of feeding, watering and accommodating the impounded animals.

**8. Pound keepers.**— The local government may appoint pound-keepers on whole-time or part-time basis on such terms and conditions as may be fixed by the concerned local government.

**9. Registers and returns.**— (1) A pound-keeper shall keep such registers and furnish such returns as may be required by the concerned local government.

(2) When animals are brought to the pounds, the pound-keeper shall enter in the register the number and description of animals, the day and hour on which they were so brought, the name and residence of the seizer and that of the owner, if known, and shall give the seizer or his agent a copy of such entry.

**10. Possession and feeding.**— The pound-keeper shall take charge of, feed and water the animals until they are disposed of as hereinafter provided.

**11. Fines for impounded animals.**— For every animal impounded under the Act, the pound-keeper shall levy a fine in accordance with the scale fixed by the concerned local government and the fines so charged shall form part of and be credited to the local fund.

**12. Delivery or sale of animals.**— (1) If the owner of an impounded animal or his agent appears and claims the animal, the pound-keeper shall deliver it to him on payment of the fine and charges incurred in respect of such animal under proper receipt to be recorded by the owner or his agent in the register.

(2) If the animal is not claimed within seven days of impounding, the pound-keepers shall inform the officer in charge of the Police Station who shall thereupon display at a conspicuous place in his office a notice stating the number and description of animals and places of seizure and impounding. A similar notice shall be displayed at a conspicuous place in the office of the concerned local government.

(3) If the animal is not claimed within seven days of the notice it shall be sold by the local government by open auction after giving sufficient publicity in the local area:

Provided that the person auctioning the animals or the pound-keeper or his relatives shall not bid for or purchase the impounded animals.

(4) The proceeds of the sale of the animal shall be paid to the owner if he appears within six months of the sale, after deduction of fines, feeding and other charges.

#### Arboriculture

**13. Arboriculture.**— The concerned local government shall plant trees on public streets and other public places within its local area and take all such steps as may be necessary for the plantation and protection of trees on such streets and places.

**14. Nuisance pertaining to trees and plantations.**— (1) A local government may, by byelaws, determine the pests of trees and plants and provide for their destruction.

(2) If any land or premises within the local area of the concerned local government is grown with rank or noxious vegetation, or under-growth, the local government may by notice require the owner or the occupier of such land or premises to clear such vegetation or under-growth within a specified time and if he fails to do so within such time, the local government may have such vegetation or under-growth cleared and the cost incurred shall be deemed to be a tax levied on the owner or occupier under the Act.

(3) The concerned local government may, in the manner provided in the byelaws, prohibit the cultivation of any crop which is considered dangerous to public health within such part of its local area as may be specified.

#### Boundaries and Trees

**15. Boundary walls, hedges and fences.**— (1) No boundary wall, hedge or fence of any material or description shall be erected in such parts of a local area as are specified by a local government without the permission in writing of the concerned local government.

(2) A local government may, by notice in writing, require the owner or lessee of any land in its local area:

- (a) to remove from the land any boundary wall, hedge or fence which is, in its opinion unsuitable, unsightly or otherwise objectionable; or
- (b) to construct on the land sufficient boundary walls, hedges or fences of such material, description or dimensions as may be specified in the notice; or
- (c) to main the boundary walls, hedges or fences of such lands in good order;

Provided that, in the case of any such boundary wall, hedge or fence which was erected with the consent or under the orders of the concerned local government or which was in existence at the commencement of the Act the concerned local government shall make compensation for any damage caused by the removal thereof.

(3) A local government may, by notice in writing, require the owner, lessee or occupier of any such land to cut or trim any hedge on the land in such manner and within such time as may be specified in the notice.

**16. Felling, lopping and trimming of trees.**— (1) Where, in the opinion of the concerned local government the felling of any tree of mature growth standing in a private enclosure in its local area is necessary for any reason, the concerned local government may, by notice in writing, require the owner, lessee or occupier of the land to fell the tree within such time as may be specified in the notice.

(2) A local government may:

- (a) cause to be lopped or trimmed any tree standing on land in its local area which belongs to the local government; or
- (b) by public notice require all owners, lessees or occupiers of land in its local area or by notice in writing require the owner, lessee or occupier of any such land, to lop or trim, in such manner as may be specified in the notice, all or any trees standing on such land or to remove any dead trees from such land.

**17. Digging of public land.**— No person shall, without the permission in writing of the concerned local government, dig up the surface of any open space which is not a private property or take out earth therefrom.

**18. Improper use of land.**— (1) If in the opinion of a local government the working of a quarry in its local area or the removal of stone, sand, earth or other material from the soil in any place in its local area is dangerous to persons residing in or frequenting the neighbourhood of such quarry or place, or creates, or is likely to create, a nuisance, the concerned local government may, by notice in writing, prohibit the owner, lessee or occupier of such quarry or place or the person responsible for such working or removal, from continuing or permitting the working of such quarry or the moving of such material, or require him to take such steps in the matter as the local government may direct for the purpose of preventing danger or abating the nuisance or likely to arise therefrom.

(2) If, in any case referred to in sub-paragraph (1), the concerned local government is of the opinion that such a course is necessary in order to prevent imminent danger, it may, by order in writing, require a proper hoarding or fence to be put up for the protection of passers-by.

#### **Building and Land Use Control**

**19. Sanction for buildings.**— No person shall erect or re-erect a building or commence to erect or re-erect a building on any land in a local area except with the previous sanction of the concerned local government nor otherwise than in accordance with the provisions of the Act and of the rules and bye-laws made under the Act relating to the erection and re-erection of buildings.

**20. Notice of new buildings.**— (1) Whoever intends to erect or re-erect any building in a local area shall apply for sanction by giving notice in writing of his intention to the concerned local government.

(2) For the purposes of the Act, a person shall be deemed to erect or re-erect a building who:

- (a) makes any material alteration of enlargement of any building; or

- (b) converts into a place for human habitation any building not originally constructed for that purpose; or
- (c) converts into more than one place for human habitation a building originally constructed as one such place; or
- (d) converts two or more places of human habitation into one such place or into greater number of such places; or
- (e) converts a building or a site or land meant for one particular use or in one particular zoning area into any other use or a use meant for another zoning area; or
- (f) converts into a stable, cattle-shed or cow-house any building originally constructed for human habitation; or
- (g) makes any alteration which there is reason to believe is likely to affect prejudicially the stability or safety of any building or the condition of any building in respect of drainage, sanitation or hygiene; or
- (h) makes any alteration to any building which increases or diminishes the height of, or area converted by, or the cubic capacity of, the building, or which reduces the cubic capacity of any room in the building below the minimum prescribed by any bye-law made under the Act.

**21. Conditions of valid notice.**—(1) A person giving the required notice shall specify the purpose for which he intends to use the building.

(2) Where a plan to re-lay a street has been approved by the concerned local government, a person who intends to erect or re-erect a building or commences to erect or re-erect a building shall adopt the approved building or street line and for this purpose any space required to be left vacant shall vest in the local government.

(3) No notice shall be valid until it is made in the manner prescribed in the bye-laws made under the Act along with plans and other information which may be required therein, have been furnished to the satisfaction of the concerned local government along with the notice.

**22. Power of local governments to sanction or refuse.**—(1) The concerned local government may, for reasons to be recorded in writing, either refuse to sanction the erection or re-erection, as the case may be, of the building, or may sanction it either absolutely or subject to such directions as it thinks fit in respect of all or any of the following matters, namely:

- (a) the free passage or way to be left in front of the building;
- (b) the space to be left around the building;
- (c) the ventilation of the building, the minimum cubic area of the rooms and the number and height of the storeys of which the building may consist;
- (d) the provision and position of drains, latrines, urinals, cesspools or other receptacles for wastes;
- (e) the level and width of the foundation, the level of the lowest floor and the stability of the structure;
- (f) the line of frontage with neighbouring buildings if the building abuts on a street;
- (g) the means to be provided for egress from the building in case of fire;
- (h) the materials and method of construction to be used for external and internal walls for rooms, floors, fire-places and chimneys;
- (i) the height and slope of the roof above the uppermost floor upon which human beings are to live or cooking operations are to be carried on;
- (j) any other matter affecting the ventilation, sanitation safety or environmental aspects of the building and its relationship with the surrounding buildings or areas; and
- (k) the person erecting or re-erecting the building shall obey all such written directions in every particular.

(2) The concerned local government may refuse to sanction the erection or re-erection of any building, either on grounds sufficient in the opinion of the concerned local government affecting the particular building, or in pursuance of a notified general scheme or plan of the concerned local government, restricting the erection or re-erection of buildings within specified limits or for any other public purpose.

(3) The concerned local government before sanctioning the erection or re-erection of a building on land which is under the management of the Federal or Provincial Government or any agency thereof, shall ascertain in writing within thirty days of application whether there is any objection on the part of the concerned Government to such erection or re-erection.

(4) The concerned local government may refuse to sanction the erection or re-erection of any building:

- (a) when the land on which it is proposed to erect or re-erect the building is held on a lease from the Federal or Provincial Government if, the erection or re-erection constitutes a breach of the terms of the lease; or
- (b) when the land on which it is proposed to erect or re-erect the building is not held on a lease from the Government, if the right to build on such land is in dispute between the person applying for sanction and the Government.

(5) If the concerned local government decides to refuse to sanction the erection or re-erection of the building, it shall communicate in writing the reasons for such refusal to the person by whom notice was given.

(6) The concerned local government may, after giving notice and for reasons to be recorded, cancel, modify or withdraw the sanction of a site plan at any time.

**23. Compensation.**— (1) No compensation shall be claimed by any person for any damage or loss which he may sustain in consequence of the refusal of the local government of sanction to the erection of any building or in respect of any direction issued by it.

(2) The concerned local government shall make compensation to the owner of any building for any actual damage or loss sustained by him in consequence of the prohibition of the re-erection of any building or of its requiring any land belonging to him to be added to the street:

Provided that the concerned local government shall not be liable to make any compensation in respect of the prohibition of the re-erection of any building which for a period of three years or more immediately preceding such refusal has not been in existence or has been unfit for human habitation.

**24. Lapse of sanction.**— Every sanction for the erection or re-erection of a building given or deemed to have been given by the concerned local government as hereinbefore provided shall be available for one year from the date on which it is given, and, if the building so sanctioned is not begun by the person who has obtained the sanction or someone lawfully claiming under him within that period, it shall not thereafter be begun unless the concerned local government on application made therefor has allowed an extension of that period.

**25. Period for completion of building.**— The concerned local government, when sanctioning the erection or re-erection of a building as hereinbefore provided, shall specify a reasonable period after the work has commenced within which the erection or re-erection is to be completed, and, if the erection or re-erection is not completed within the period so fixed, it shall not be continued thereafter without fresh sanction obtained in the manner hereinbefore provided, unless the concerned local government on application made therefor has allowed an extension of that period:

Provided that not more than two such extensions shall be allowed by the concerned local government in any case.

**26. Illegal erection and re-erection.**— No person shall begin, continue or complete the erection or re-erection of a building:

- (a) before the building has been sanctioned; or
- (b) without complying with any direction made to him; or
- (c) when sanction has been refused, or has ceased to be available, or has been suspended by the concerned local government.

**27. Power to stop erection or re-erection or to demolish.**— A local government may, at any time, by notice in writing, direct the owner, lessee or occupier of any land in its local area to stop the erection or re-erection of a building in any case in which the concerned local government considers that such erection or re-erection is an offence and may direct the alteration or demolition, as it thinks necessary, of the building, or any part thereof, so erected or re-erected:

Provided that the concerned local government may, instead of requiring the alteration or demolition of any such building or part thereof, accept by way of composition such sum as notified by the concerned local government.

**28. Completion of building or alteration of buildings.**— (1) Every person who has erected or re-erected a building shall, within thirty days of the completion of the building, report such completion to the concerned local government.

(2) The concerned local government may cause to be inspected any building of which construction has begun or which has been erected or re-erected in violation or contravention of any provision of the Act, rules or the bye-laws or of the master plan or site development scheme, if any. The local government may require the alteration of the building so as to be in compliance therewith, and where such alteration is not possible, it may require the building or any part thereof to be demolished, or on the application of the owner of such building compound the offence on payment of such composition fee as notified by the concerned local government.

(3) If a building is required to be demolished under the provisions of sub-paragraph (2) and such requirement is not complied with, within the specified period, the local government may have the building demolished through its own agency and the cost so incurred shall be deemed to be a tax levied on the owner or occupier of the building under the Act.

**29. Regulation of buildings.**— (1) Except with the prior sanction of the concerned local government, no building shall be put to a use other than shown in the building plan according to which it was erected or re-erected:

Provided that the local government shall not sanction any change in the use of a building which may be in violation or contravention of the master plan or site development scheme, if any.

(2) If any building or anything fixed thereon be deemed by the concerned local government to be in a ruinous state or likely to fall or in any way dangerous to any inhabitant of such building or of any neighbouring building or to any occupier thereof or to passers-by, the local government may, by notice, require the owner or occupier of such building to demolish it or to take such action in regard to the building as may be specified in the notice, and if there is default, the local government may take necessary action and the cost so incurred shall be deemed to be a tax levied on the owner or occupier of the building under the Act.

(3) If a building is so ill constructed, or dilapidated or in dangerous condition or otherwise unfit for human habitation, the concerned local government may prohibit the occupation of such building till it has been suitably repaired to the satisfaction of the local government.

(4) If the building is in dangerous condition and declared unfit for human habitation, the concerned local government may, for the purpose of demolition, eject the owner or occupier from such building with such necessary force as may be required or in the laid down manner.

(5) Where it appears to the concerned local government that any block of buildings is in an unhealthy condition by reason of the manner in which the buildings are crowded together, or of the narrowness or closeness of the street, or of the want of proper drainage or ventilation, or of the impracticability of cleansing the buildings or other similar cause, it may cause the block to be inspected by a committee consisting of such officials of the concerned local government as prescribed in the bye-laws.

The committee shall make a report in writing to the concerned local government on the sanitary condition of the block, and if it considers that the condition thereof is likely to cause risk of disease to the inhabitants of the building or of the neighbourhood or otherwise to endanger the public health it shall clearly indicate on a plan verified by a senior technical professional of the concerned local government the buildings which should in its opinion wholly or in part be removed in order to abate the unhealthy condition of the block.

If, upon receipt of such report, the concerned local government is of the opinion that all or any building indicated should be removed, it may, by notice in writing, require the owners, thereof to remove them:

For the purposes of this sub-paragraph "buildings" includes enclosure walls and fences appertaining to buildings.

(6) Where it appears to a local government that any building or part of a building which is used as a dwelling house is so overcrowded as to endanger the health of the inmates thereof, it may, after such inquiry as it thinks fit, by notice in writing require the owner or occupier of the building or part thereof, as the case may be, within such time not being less than one month as may be specified in the notice, to abate the overcrowding of the same by reducing the number of lodgers, tenants, or other inmates to such number as may be specified in the notice.

**30. Projections and obstructions.**— (1) No owner or occupier of any building in a local area shall, without the permission in writing of the concerned local government add to or place against or in front of the building any projection or structure overhanging, projecting into, or encroaching on, any street or any drain, sewer or aqueduct therein.

(2) The concerned local government may, by notice in writing, require the owner or occupier of any such building to alter or remove any such projection or encroachment as aforesaid.

**31. Unauthorized buildings over drains, etc.**— A local government may, by notice in writing, require any person who has, without its permission in writing, newly erected or re-erected any structure over any public sewer, drain, culvert, water-course or water-pipe in its local area to pull down or otherwise deal with the same as it thinks fit.

**32. Drainage and sewer connections.**— (1) A local government may, by notice in writing, require the owner or lessee of any building or land in any street, at his own expense and in such manner as the concerned local government thinks fit, to put up and keep in good condition proper troughs and pipes for receiving and carrying rain water from the building or land and for discharging the same or to establish and maintain any other connection or communication between such building or land and any drain or sewer.

(2) For the purpose of efficiently draining any building or land in its local area, the concerned local government may, by notice in writing, require the owner or lessee of the building or land:

- (a) to pave, with such materials and in such manner as it thinks fit, any courtyard, ally or passage between two or more buildings; or
- (b) to keep any such paving in proper repair.

**33. Power to attach brackets for lamps.**— A local government may attach to the outside of any building, or to any tree in its local area, brackets for lamps in such manner as not to occasion injury thereto or inconvenience.

**34. Power to make bye-laws.**— A local government may make bye-laws prescribing:

- (a) the manner in which notice of the intention to erect or re-erect a building in its local area shall be given to the local government and the information and plans to be furnished with the notice;
- (b) the type or description of buildings which may or may not, and the purpose for which a building may or may not, be erected or re-erected in its local area or any part thereof;
- (c) the minimum cubic capacity of any room or rooms in a building which is to be erected or re-erected;
- (d) the fees payable on provision by the concerned local government of plans or specifications of the type of buildings which may be erected in the local area or any part thereof;
- (e) the circumstances in which a mosque, temple or church or other sacred building may be erected or re-erected; and
- (f) any other matter which the concerned local government may consider necessary.

#### Burial Places and Cremation

**35. Power to call for information regarding burial and burning grounds.**— (1) The concerned local government may, by notice in writing, require the owner or person in charge of any burial or burning ground within its area to supply such information as may be specified in the notice concerning the condition, management or position of such ground.

(2) No place which has not been used as a burial or burning ground before the commencement of the Act shall be so used without the permission in writing of the concerned local government.

(3) No new burial or burning place shall be established within the local area of a local government except under a licence granted by the local government and in conformity with the condition of such licence.

(4) A burial or burning place which is not administered by a local government shall be registered with the concerned local government and shall be subject to regulation, supervision and inspection by it in such manner as the byelaws may provide.

(5) The Government may, by notification in the official Gazette, declare that any burial or burning place which is open to public for burial or burning shall vest in a local government and thereupon such burial or burning place shall vest in the local government and it shall take all measures necessary for the proper maintenance and administration thereof.

(6) The concerned local government may provide suitable places for the burial or burning of the dead, and shall take necessary measures for the proper maintenance and administration of such burial and burning places.

(7) Where a local government after making or causing to be made a local inquiry, is of opinion that any burial or burning ground in its local area has become offensive, to, or dangerous to, the health of, persons living in the neighbourhood, it may, by notice in writing, require the owner or person in charge of such ground to close the same from such date as may be specified in the notice.

(8) Where such notice is issued, the concerned local government may provide at its own expense or, if the community concerned is willing to provide a new burial or burning ground, shall provide a grant to be made towards the cost of the same.

(9) No corpse shall be buried or burnt in any burial or burning ground in respect of which a notice issued under this paragraph is for the time being in force.

#### Fairs and Shows

**36. Fairs and shows.**— The concerned local government may make such arrangements on the occasion of any fairs, shows or public festivals within its local area as may be necessary for the public health, public safety and public convenience.

#### Drainage and Sewerage

**37. Drainage.**— (1) The concerned local government shall provide an adequate system of public drains in its local area and all such drains shall be constructed, maintained, kept cleared and emptied with due regard to the health and convenience of the public.

(2) Every owner or occupier of any land or building within the local area of the concerned local government may, with its previous permission, and subject to such terms and conditions, including the payment of fees, as it may impose, cause his drains to be emptied into public drains.

(3) All private drains shall be subject to control, regulation and inspection by the concerned local government.

(4) Subject to the provisions of any other law for the time being in force, the concerned local government may by notice direct a commercial or industrial concern to provide for the disposal of its waste or effluent in the manner specified, and failure on the part of owner, tenant or occupier thereof to comply with such directions, shall be a municipal offence.

(5) The concerned local government may, by notice, require the owner of any building, land or an industrial concern within its local area:

- (a) to construct such drains within the building or land or the street adjoining such building or land and to take such other measures for treatment and disposal of effluent as may be specified in the notice;
- (b) to remove, alter or improve any such drains; and
- (c) to take other steps for the effective drainage of the building or land as may be specified.

(6) In case of failure of owner to comply with the requirements of notice under sub-paragraph (5), the concerned local government may itself cause such requirements to be carried out, and the cost so incurred shall be deemed to be a tax levied on the owner of the building or land, as the case may be, under the Act.

**38. Drainage and sewerage schemes for commercial and industrial area.**— (1) The concerned local government may, by notice, require the owners, tenants and occupiers of commercial and industrial concerns in any area or areas within its local area to have at their own cost prepared a scheme for the adequate and safe drainage and disposal of their

wastes and effluent of the quality permitted under the rule or the byelaws and submit it to the local government within the time specified in the notice:

Provided that the time limit may be extended by the local government for a maximum period of three months at the request of the owners, tenants or occupiers of the commercial and the industrial units concerned.

(2) The drainage, sewerage and disposal scheme as approved by the local government with modifications, if any, shall be executed and implemented by the owners, tenants or occupiers of the commercial or industrial units at their expense in such manner and within such time as may be specified by the local government.

(3) In case of the failure of the owners, tenants or occupiers of the commercial or industrial concerns to comply with the provisions of sub-paragraphs (1) and (2), the concerned local government may itself prepare the drainage, sewerage and disposal scheme and execute and implement it at its own expense, and the cost so incurred shall, under the Act, be deemed to be a tax levied on the owners, tenants or occupiers of the industrial and commercial units concerned.

#### Encroachments

**39. Encroachment.**— (1) No person shall make an encroachment movable or immovable on an open space or land vested in or managed, maintained or controlled by a local government, or on, over or under a street, road, graveyard, within its local area or a drain.

(2) The local government may, after such notice as may be considered reasonable, remove the encroachment mentioned in sub-paragraph (1) with such force as may be necessary.

(3) A person who trespasses into or is in wrongful occupation of a building or property which is vested in or is managed, maintained or controlled by a local government may, in addition to any other penalty to which he may be liable under the Act or any other law for the time being in force, after such notice as may be considered reasonable by the local government, be ejected from such building or property by the local government with such force as may be necessary.

(4) Any person aggrieved by the notice issued under sub-paragraph (3) may, within seven days, of the service of notice, appeal to such authority as may be prescribed in the bye-laws and its decision thereon shall be final.

(5) Notwithstanding anything contained in any other law, no compensation shall be payable for any encroachment removed or ejection carried out under this paragraph.

(6) The cost of removal of encroachment or ejection under this paragraph shall be payable to the local government by the encroacher or wrongful occupier, and if the cost is not paid on demand the local government may cause it to be recovered as arrears of land revenue or cause the materials or articles used by the encroacher or the wrongful occupier of encroachment or wrongful occupation to be sold in auction and if the proceeds of the sale are not sufficient to cover the cost the balance shall be recoverable as arrears of land revenue but if such proceeds exceed the cost, the excess shall be paid to the encroacher or the wrongful occupier.

(7) In this paragraph, "encroacher" or "wrongful occupier" shall include a person who owns the materials or articles used for encroachment or wrongful occupation at the time of removal of encroachment or ejection and also any person in possession thereof on his behalf or with his permission or connivance.

#### Food and Markets

**40. Public markets and slaughter-houses.**— (1) A local government may provide and maintain within its own local area, public markets and public slaughter-houses, in such number as it thinks fit, together with stalls, shops, sheds, pens and other buildings or conveniences for the use of persons carrying on trade or business in or frequenting such markets or slaughter-houses, and may provide and maintain in any such market buildings, places, machines, weights, scales and measures for the weighment or measurement of goods sold therein.

(2) The concerned local government may at any time, by public notice either close or relocate any public market or slaughterhouses provided, operated, managed or maintained by it, or any part thereof.

(3) A local government may outsource the slaughterhouses provided, operated, managed or maintained by it, for a period not less than three years.

(4) The local governments, in respect of its slaughterhouses shall adhere to the regulatory framework of the Province with regard to establishment of slaughterhouses and slaughtering of animals.

**41. Use of public markets.**— (1) No person shall, without the general or special permission for sale by such person be summarily removed from the market by or under the orders of the concerned local government by any officer or servant of the concerned local government authorized by it in this behalf.

(2) Any person contravening the provisions of this paragraph and any animal or article exposed for sale by such person may be summarily removed from the market by or under the orders of the concerned local government by an officer or servant of the concerned local government authorized by it in this behalf.

**42. Levy of stallages, rents and fees.**— A local government may, in respect of public market and slaughterhouses provided, operated, managed or maintained by it:

- (a) charge for the occupation or use of any stall, shop standing, shed or pen in a public market, or slaughterhouse, or for the right to expose goods for sale in a public market; or for weighing or measuring goods sold therein; or for the right to bring in goods on vehicles or animals or for animals brought for sale or sold; or for the right to slaughter animals in slaughterhouse; such stallages, rents and fees as it thinks fit including that from brokers commission agents, and others practicing their calling therein;
- (b) or direct the concerned local government to receive such approved rents and fees leviable as aforesaid or any portion thereof for any period not exceeding one year at a time; or
- (c) put up to public auctions or dispose of by private sale, the privilege of occupying or using any stall, shops, standing, shed or pen in a public market or slaughterhouse for such term and on such conditions as it may approve.

**43. Stallages, rents, etc. to be published.**— A copy of the table of stallages, rents and fees, if any, leviable in any public market or slaughterhouse provided, operated, managed or maintained by the local government, and of the bye-laws made under the Act for the purpose of regulating the use of such market or slaughterhouse, printed in Urdu and in such other language or languages as the local government may direct, shall be affixed in some conspicuous place in the market or slaughterhouse.

**44. Private markets.**— No place in a local area other than a public market shall be used as a market, unless such place has been licensed as a market by the concerned local government.

**45. Conditions of grant of licence for private market.**— (1) A local government may charge such fees as approved by its local government for the grant of a license to any person to open a private market and may grant such licence subject to such conditions, consistent with the Act and any bye-laws made thereunder, as it thinks fit to impose.

(2) The concerned local government may refuse to grant any such licence for reasons to be recorded.

**46. Prohibition of keeping market without licence.**— (1) No person shall keep open for public use any market in respect of which a licence thereof is suspended, or after the same has been cancelled.

(2) When a licence to open a private market is granted or refused or is suspended or cancelled, the concerned local government shall cause a notice of the grant, refusal, suspension or cancellation to be pasted in Urdu and in such other language or languages as it thinks necessary, in some conspicuous place nearby the entrance of the place to which the notice relates.

**47. Prohibition of using unlicensed market.**— No person shall, knowing that any market has been opened to the public without a licence having been obtained therefor when such licence is required by or under the Act, or that the licence granted therefor is for the time being suspended or that it has been cancelled, sell or expose for sale any article in such market.

**Licencing**  
**(General Provisions)**

**48. Power to vary licence.**— If a local government is satisfied that any place used under a licence granted by it under the Act is a nuisance or is likely to be dangerous to life, health or property, the concerned local government may, by notice in writing, require the owner, lessee or occupier thereof to discontinue the use of such place or to effect such alterations, additions, or improvements as will, in the opinion of the concerned local government, render it no longer a nuisance or dangerous.

**Open Spaces**

**49. Gardens.**— (1) The concerned local government may lay-out and maintain within its local area such public gardens as may be necessary for the recreation and convenience of the public and such public gardens shall be maintained and administered in such manner as the byelaws, may provide.

(2) For every public garden there shall be framed and enforced, in the manner prescribed, a garden development plan, which shall provide for the development and improvement of the garden.

**50. Open spaces.**— The concerned local government may provide and maintain within its local area such open spaces as may be necessary for the convenience of the public and such spaces shall be grassed, hedged, planted and equipped with such amenities and in such manner as the byelaws may provide.

**Planning**

**51. Land use plan.**— Subject to any other special law for the time being in force, the concerned local government may draw up or cause to draw up land use plan for its local area which shall, among other matters, provide for:

- (a) a survey of its local area including its history, statistics, public services and other particulars;
- (b) development, expansion and improvement of any area within the local area;
- (c) restrictions, regulations and prohibitions to be imposed with regard to the development of sites, and the erection and re-erection of buildings within the local area; and
- (d) such other matters as the concerned local government may require to be included in the plan.

**52. Site development schemes.**— (1) Where a plan has been drawn up and such plan has been approved, no owner of land exceeding such area as may be specified in this behalf in the plan so approved shall develop the site or erect or re-erect a building on any plot of land covered by the plan, except in conformity with the provisions of a site development scheme sanctioned for the area in the manner prescribed.

(2) Where a plan has not been drawn up, no owner of land shall develop the site or erect or re-erect any building on any plot or land except in conformity with the provisions of the site development scheme sanctioned by the concerned local government.

(3) An owner of land who desires to develop a plot or a piece of land belonging to him for which no sanctioned site development scheme exists, or where the proposed development is not in conformity with the existing development scheme, he may apply to the concerned local government for sanction of his development scheme and the local government may, on such terms and conditions and on payment of such fees or charges as may be laid down by it in its byelaws, sanction the same:

Provided further that the concerned local government may, after giving notice and for reasons to be recorded, cancel, modify or withdraw the sanction any time.

- (4) Among other matters, the site development scheme shall provide for:
  - (a) the division of the site into plots;
  - (b) provision for streets, drains and open spaces;
  - (c) reservation of land for public utility services to be transferred to the concerned local government;
  - (d) provisions for acquisition of land by the local government, if any;
  - (e) the works that shall be executed at the cost of the owners of the site or sites; and
  - (f) the period during which the area shall be developed.

(5) The land reserved for public utility services in the Site Development Scheme shall be transferred, free of cost, by the owner or the owners to the local government before the sanction of the scheme. Such land shall not be converted or used for any purpose other than that shown in the same scheme.

**53. Execution of site development schemes.**—(1) The execution of site development scheme shall be subject to the inspection and control of the concerned local government and the local government may from time to time give such directions with regard to the execution of the scheme as may be deemed necessary.

(2) If any area is developed or otherwise dealt with in contravention of the provisions of the sanctioned scheme, the local government may, by notice, require the owner of such area or the person who has contravened the provisions to make such alteration, in the site as may be specified in the notice, and where such alteration is not made or for any reason cannot be carried out, the local government may require and enforce the demolition of unauthorized structure and notwithstanding anything to the contrary contained in any law, no compensation shall be payable for such demolition.

(3) If an area for which a scheme has been sanctioned is not developed within the period provided in the scheme and further extension is not allowed by the local government, or if the development is not in conformity with the terms of the site development scheme, the local government may take over the development of the scheme and execute the necessary works as prescribed.

#### Sanitation

**54. Insanitary buildings and lands.**—(1) The concerned local government may, by notice, require the owners or occupier of any building or land which is in insanitary or unwholesome state:

- (a) to clean or otherwise put in it in a proper state;
- (b) to make arrangements to the satisfaction of the local government for its proper sanitation; and
- (c) to limewash the building and to make such essential repairs as may be specified in the notice.

(2) If in the opinion of a local government any well, tank, reservoir, pool, depression, or excavation, or any bank or tree, is in a ruinous state or for want of sufficient repairs, protection or enclosure a nuisance or dangerous to persons passing by or dwelling or working in the neighbourhood, the concerned local government may by notice in writing, require the owner or part-owner or person claiming to be the owner or part-owner thereof, or, failing any of them, the occupier thereof to remove the same, or may require him to repair, or to protect or enclose the same in such manner as it thinks necessary; and, if the danger is, in the opinion of the concerned local government imminent, it shall forthwith take such steps as it thinks necessary to avert the same.

**55. Removal, collection and disposal of refuse.**—(1) The concerned local government shall make adequate arrangements for the removal of refuse from all public roads and streets, public latrines, urinals, drains and all buildings and lands vested in the local government and for the collection and proper disposal of such refuse.

(2) The occupiers of all other buildings and lands within the local area of a local government shall be responsible for the removal of refuse from such buildings and land subject to the general control and supervision of the local government where relevant.

(3) The concerned local government shall cause public dustbins or other suitable receptacles to be provided at suitable places and where such dustbins or receptacles are provided, the concerned local government may, by public notice, require that all refuse accumulating in any premises or land shall be deposited by the owner or occupier of such premises or land in such dustbins or receptacles.

(4) All refuse removed and collected by the staff of a local government or under their control and supervision and all refuse deposited in the dustbins and other receptacles provided by the local government shall be property of the local government.

(5) The concerned local government may, by notice issue directions at which the manner in which and the conditions subject to which, any matter referred to in this paragraph may be carried out.

**56. Latrines and urinals.**—(1) The concerned local government shall provide and maintain in sufficient number and in proper situations public latrines and urinals for the

separate use of each sex, and shall cause the same to be kept in proper order and to be regularly and properly cleaned.

(2) A local government may, by notice in writing:

- (a) require any person having the control whether as owner, lessee or occupier of any land or building:
  - (i) to close any cesspool appertaining to the land or building which is, in the opinion of the concerned local government a nuisance; or
  - (ii) to keep in a clean condition, in such manner as may be specified in the notice, any receptacle or filth or sewage accumulating on the land or in the building; or
  - (iii) to prevent the water of any private latrine, urinal, sink or bathroom or any other offensive matter, from soaking, draining or flowing, or being put, from the land or building upon any street or other public place or into any water-course or other specified waterbody or into any drain not intended for the purpose; or
  - (iv) to collect and deposit for removal by the conservancy establishment of the concerned local government within such time and in such receptacle or place, situated at not more than thirty five meters from the nearest boundary of the premises, as may be specified in the notice, any offensive matter or rubbish which such person has allowed to accumulate or remain under, in or on such building or land; or
- (b) require any person to desist from making or altering any drain leading into a public drain; or
- (c) require any person having the control of a drain to cleanse, purify, repair or alter the same, or otherwise put it in good order, within such time as may be specified in the notice.

(3) Where any premises are without privy or urinal accommodation, or without adequate privy or urinal accommodation, or the privy or urinal is on any ground objectionable, the concerned local government may, by notice, require the owner or occupier of such premises:

- (a) to provide such or such additional privy or urinal accommodation as may be specified in the notice;
- (b) to make such structural or other alteration in the existing privy or urinal accommodation as may be so specified;
- (c) to remove the privy or urinal; and
- (d) where there is any underground sewerage system to substitute connected privy or connected urinal accommodation for any service privy or service-urinal accommodation.

(4) In case the owner or occupier of any building or land who has been served notice under sub-paragraph (3), fails to make arrangements to the satisfaction of the concerned local authority for the matter referred to in this paragraph, the concerned local government may undertake such roles and the cost so incurred shall be deemed to be a tax levied under the Act on the owner or occupier.

**57. Private latrines.**— The concerned local government may, by notice in writing:

- (a) require the owner or other person having the control of any private latrine or urinal not to put the same to public use; or
- (b) where any plan for the construction of private latrines or urinals has been approved by the concerned local government and copies thereof may be obtained free of charge on application:
  - (i) require any person repairing or constructing any private latrine or urinal not to allow the same to be used until it has been inspected by or under the direction of the concerned local government and approved by it as conforming with such plan; or
  - (ii) require any person having control of any private latrine or urinal to re-build or alter the same in accordance with such plan; or
- (c) require the owner or other person having the control of any such private latrine or urinal which, in the opinion of the concerned local government constitutes a nuisance, to remove the latrine or urinal; or

- (d) require any person having the control whether as owner, lessee or occupier of any land or building:
  - (i) to have any latrines provided for the same covered by a sufficient roof and wall or fence from the view of persons passing by or dwelling in the neighbourhood; or
  - (ii) to keep such latrine or urinal in proper state to the satisfaction of the concerned local government and shall employ such staff for the purpose as may be necessary or as may be specified by the local government; or
- (e) require any person being the owner and having the control of any drain to provide, within ten days from the service of the notice, such covering as may be specified in the notice.

**58. Bathing and washing places.**— The concerned local government may from time to time:

- (a) set apart suitable places for use by the public for bathing;
- (b) specify the time at which and the gender of persons by whom such places may be used; and
- (c) prohibit by public notice, the use by the public for any of the said purposes of any place not so set apart.

#### Registration of Births and Deaths

**59. Births and deaths.**— The concerned local government shall register all births and deaths within the limits of its local area and information of such births and deaths shall be given by such persons or authorities, and shall be registered in such manner, as may be prescribed.

#### Streets and Street Lighting

**60. Public streets.**— (1) The concerned local government shall provide and maintain such public streets and other means of public communications as may be necessary.

(2) The concerned local government shall, in the manner prescribed, prepare and execute a road maintenance and development programme.

**61. Streets.**— (1) No new street shall be laid out except with the previous sanction of the concerned local government and in conformity with the terms and conditions of such sanction.

(2) All streets other than public streets shall be maintained in such manner as the byelaws may provide.

(3) The concerned local government may, by notice, require that any street may be paved, metalled, drained, channelled, approved or lighted in such manner as may be specified and in the event of default, the local government may have the necessary work done through its agency and the cost so incurred shall be deemed to be a tax levied on the person concerned under the Act.

(4) Government may prescribe the manner in which a street other than a public street may be converted into a public street.

**62. Street lighting and electrification.**— (1) The concerned local government shall take such measures as may be necessary for the proper lighting of the public streets and other public places vested in the local government by oil, gas, electricity, solar power or any other illuminant as the local government may determine.

(2) The local government shall also provide or cause to be provided electricity in coordination with the concerned department to its local area for public and private purposes.

(3) The concerned local government may frame and enforce street lighting and electrification schemes.

**63. Street watering.**— The concerned local government shall take such measures as may be necessary for the watering of public streets for the comfort and convenience of the public, and may, for this purpose, maintain such vehicles, staff and other apparatus as may be necessary.

**64. Provision of washing places.**— (1) A local government may provide suitable places for the exercise by washermen of their calling, and may require payment of such fees as may be prescribed by the local government.

(2) Where the concerned local government has provided such places as aforesaid it may, by public notice, prohibit the washing of clothes by washermen at any other place within that part of the local area:

Provided that such prohibition shall not be deemed to apply to the washing by a washerman of his own clothes or of the clothes of any other person who is an occupier of the place at which they are washed.

**65. Public ferries.**— (1) The concerned local government may, by byelaws, provide for the licensing of boats and other vessels plying for hire in a public watercourse and may specify the terms and conditions for the grant of licences and the fees to be charged therefor.

(2) Government may declare any part of the public watercourse to be a public ferry and may entrust the management thereof to the concerned local government which shall manage and operate the public ferry in such manner and levy such toll as may be necessary.

#### Water Supply

**66. Water supply.**— (1) The concerned local government shall provide or cause to be provided to its local area a supply of wholesome water sufficient for public and private purposes.

(2) Where a piped water supply is provided, the concerned local government shall supply water to private and public premises in such manner and on payment of such charges as the byelaws may provide.

**67. Private source of water supply.**— (1) All private sources of water supply within the local area of the concerned local government shall be subject to control, regulation and inspection by the local government.

(2) No new well, water-pump or any other source of water for drinking purposes, shall be dug, constructed or provided except with the sanction of the concerned local government.

(3) The concerned local government may, by notice, require the owner or any person having the control of any private source of water supply used for drinking purposes:

- (a) to keep the same in good order and to clean it from time to time of silt, refuse and decaying matter;
- (b) to protect the same from contamination in such manner as the local government directs; and
- (c) if the water therein is proved to the satisfaction of the local government to be unfit for drinking purposes, to take such measures as may be specified in the notice to prevent the use of such water for drinking purposes.

**68. Public watercourses.**— (1) The concerned local government may, with the previous sanction of the Government, declare any source of water, river, spring, tank, pond or public stream, or any part thereof within its local area, which is not private property, to be a public watercourse.

(2) The concerned local government may, in respect of any public watercourse, provide such amenities, make such arrangements for lifesaving, execute such works, and subject to the provisions of any law for the time being in force relating to irrigation, drainage and navigation, regulate the use thereof, as the byelaws may provide.

**69. Tanks, ponds and low-lying areas.**— The concerned local government may take such steps with regard to the excavation or re-excavation of tanks and ponds and the reclamation of low-lying areas as it thinks fit or, as the case may be, Government directs.

#### Naming or Renaming of Roads, Streets or Public Places

**70. Power to name or rename a road, a street or a public place.**— The concerned local government may, in the prescribed manner, name or re-name, any road, street or public place within its local area.

**SEVENTH SCHEDULE**  
 (see section 160)  
**OFFENCES REQUIRING TRIAL BY A COURT**

**PART-I**

| <b>Sr.#</b> | <b>Offence</b>  |
|-------------|---|
| 1.          | 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; or<br><br>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. |
| 2.          | Development of a private housing scheme: without approval of a local government; or on a non-conforming use.  |
| 3.          | Burning of tyres as a fuel by an individual or by some establishment / entity / factory.  |

**PART-II**

| <b>Sr. #</b> | <b>Offence</b>  |
|--------------|---|
| 4.           | 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.  |
| 5.           | Preparing or using counterfeit or prescribed Forms of the local government.   |
| 6.           | Willfully obstructing any officer or servant of a local government or any person authorized to exercise power conferred under the Act.  |
| 7.           | Failure to deliver back possession of property to the local government on cancellation and expiration of lease.   |
| 8.           | Doing an act without licence or permission when the doing of such act requires a licence or permission under any of the provisions of the Act or the rules or bye-laws.   |
| 9.           | Evasion of payment of tax or other impost lawfully levied by a local government.  |
| 10.          | Supplying or marketing drinking water for human consumption in any form, from any source which is contaminated or suspected to be dangerous to public health, or its use has been prohibited by a local government on the ground of being unsafe for human consumption, or whose quality and suitability for human consumption has not been ascertained and certified by a laboratory authorized by the Government. |
| 11.          | 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.  |
| 12.          | Violation of the prohibitions provided in the Master Plan, the sanctioned Site Development Schemes under the Act or any other law for the time being in force including the plans and schemes sanctioned under the repealed enactments.   |
| 13.          | 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.   |
| 14.          | 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.   |
| 15.          | Changing or converting into any other use any portion of a commercial building or area specified or earmarked for public parking.   |
| 16.          | Failure to demolish or otherwise secure a building declared by the local government to be dangerous building.   |
| 17.          | 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.   |
| 18.          | 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.  |
| 19.          | Erection or re-erection of a building without the sanction required under the Act or using a building for a purpose which may endanger the security of people.  |

|     |   |
|-----|---|
| 20. | Dyeing or tanning skins within such distance of any commercial or residential areas as may be specified by the local government.                                    |
| 21. | 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. |
| 22. | Contravention of the prohibition or attempt or abetment of any of the offences in this Part.  |
| 23. | Burning of solid waste, inside or outside private premises or at public premises by an individual or by some establishment / entity / factory.                      |

**PART-III**

| Sr.# | Offence  |
|------|--|
| 24.  | Establishing any cattle market without permission of the local government.   |
| 25.  | 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. |
| 26.  | 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 or maintained by a local government without its permission.   |
| 27.  | Establishing a brick kiln and lime kiln within such distance of a residential area as may be specified by the local government.  |
| 28.  | Cutting down of any tree, or erection or demolition of any building or part of a building where such action is declared under the Act to be a cause of danger or annoyance to the public.  |
| 29.  | Contravention of the prohibition or attempt or abetment of any of the offences in this Part.   |

**EIGHTH SCHEDULE**

(see sections 160 &amp; 162)

**OFFENCES WHERE TICKET CAN BE ISSUED**

| Sr.# | Offence   | Amount of Fine   |
|------|---|--|
| 1.   | Fixing of wooden khokhas, and temporary shops or extension thereof on footpaths or beyond the street line.  | Rs. 4,000  |
| 2.   | Plying of handcarts for the sale of goods without permission.   | Rs.500   |
| 3.   | 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.   | Rs.1,000   |
| 4.   | Slaughtering of animals for the sale of meat at a place other than the place set apart for the purpose.   | Rs.4,000   |
| 5.   | Without the permission of the local government, causing or knowingly or negligently allowing 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. | Rs.10,000 in case of industrial concerns, Rs.5,000 in case of commercial concerns and Rs.2,000 for others. |
| 6.   | Keeping or maintaining any cattle in any part of the prohibited zone or failure to remove the cattle from the prohibited zone within the specified time when an order to this effect has been made.   | Rs.5,000   |
| 7.   | 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.                        | Rs.10,000  |
| 8.   | Obstructing or tampering with any road, street, drain or pavement.  | Rs.5,000   |

|     |  |          |
|-----|--|----------|
| 9.  | Obstructing or tampering with any main pipe, meter or any apparatus or appliance for the supply of water or sewerage system.   | Rs.5,000 |
| 10. | Without the previous sanction of the local government:<br>1. laying out a drain or altering any drain in a street or road;<br>2. connecting any house drain with a drain in a public street; and<br>3. drawing off, diverting or taking any water except with the permission required under the Act. | Rs.5,000 |
| 11. | Without prior permission of the local government, excavation of earth, stone or any other material within such distance of the residential area as specified by the local government.  | Rs.5,000 |
| 12. | 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.   | Rs.5,000 |
| 13. | 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 the Act, rules or bye-laws or furnishing wrong information.   | Rs.5000  |
| 14. | Obstructing lawful seizure of animals liable to be impounded on the ground of violations of rules or bye-laws governing the picketing, tethering, keeping, milching or slaughter of animals or their trespass of private or public property.   | Rs.5,000 |
| 15. | 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.  | Rs.1,000 |
| 16. | 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.              | Rs.1,000 |
| 17. | Disposal of carcasses of animals within prohibited distance.   | Rs.5,000 |
| 18. | 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.   | Rs.3,000 |
| 19. | 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.   | Rs.1,000 |
| 20. | Failure to provide for disposal of litter or garbage inside or outside a shop by its owner or occupier.  | Rs.1,000 |
| 21. | Failure to maintain clean premises of the area in front of a shop, office or factory up to the public street or road serving this facility.  | Rs.2,000 |
| 22. | Watering cattle or animals, or bathing or washing at or near a well or other source of drinking water for the public.  | Rs.1,000 |
| 23. | 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.   | Rs.2,000 |

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|-----|---|---|
| 24. | 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, office, industry or premises.                               | Rs.5,000 in case of industrial concerns, Rs.3,000 in case of commercial concerns and Rs.2,000 for others. |
| 25. | Failure to clean the premises, houses, shops and cultivated lands of the plastic bags and other non-perishable materials.   | Rs.1,000  |
| 26. | Damaging or polluting physical environment, inside or outside private or public premises, in a manner to endanger public health.  | Rs.10,000 for public premises and Rs.5,000 for private premises   |
| 27. | 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.  | Rs.1,000  |
| 28. | 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 the Act to be injurious to health or offensive to the neighbourhood.                                 | Rs.2,000  |
| 29. | Failure to stop leakages of water pipes, faucets and sanitary fittings resulting in dirty water pools affecting physical environments and breeding of mosquitoes.   | Rs.2,000  |
| 30. | 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.  | Rs.2,000  |
| 31. | Defacing or disturbing, without due authorization, any direction-post, lamp post or lamp extinguishing or any light arranged by a local government.   | Rs.2,000  |
| 32. | Fixing any bill, notice, playcard, 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.   | Rs.10,000   |
| 33. | Exhibiting any obscene advertisement.   | Rs.20,000   |
| 34. | 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. | Rs.5,000  |
| 35. | Loud shouting in abusive language causing distress to the inhabitants of a neighbourhood or Village or any other public place.  | Rs.2,000  |
| 36. | Using or allowing the use for human habitation of a building declared by a local government to be unfit for human habitation.   | Rs.2,000  |
| 37. | Failure to lime-wash or repair a building, if so required by local government.  | Rs.2,000  |
| 38. | Begging importunately for alms by exposing any deformity or disease or any offensive sore or wound to solicit charity.  | Rs.1,000  |
| 39. | 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.  | Rs.2,000  |
| 40. | Selling cattle and animals in contravention of any law, rule or by-laws of a local government.  | Rs.2,000  |

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|-----|--|---|
| 41. | Digging of public land without the permission in writing of local government.                            | Rs.2,000  |
| 42. | Contravention of any prohibition or direction of the local government issued under the Act or the rules. | Rs.1,000  |
| 43. | Attempt or abetment of any of the offence in this Schedule.  | Same as for the offence specified in the Schedule |

**NINTH SCHEDULE**  
(see sections 160, 162)

**FORM OF TICKET**

|   |   |   |   |
|---|---|---|---|
| Name & Address of the Offender:   | Name & Address of the Offender:   | Name & Address of the Offender:   | Name & Address of the Offender:   |
| NIC No.   | NIC No.   | NIC No.   | NIC No.   |
| Particulars of Offence:(section of Law with details of offences:  | Particulars of Offence:(section of Law with details of offences:  | Particulars of Offence:(section of Law with details of offences:  | Particulars of Offence:(section of Law with details of offences:  |
| Date of commission of Offence:<br>Amount of Fine: Rs.<br>(in letters)<br>Date by which the Fine is to be paid | Date of commission of Offence:<br>Amount of Fine:<br>Rs. _____ (in letters)<br>Date by which the Fine is to be paid | Date of commission of Offence:<br>Amount of Fine:<br>Rs. _____ (in letters)<br>Date by which the Fine is to be paid | Date of commission of Offence:<br>Amount of Fine: Rs.<br>(in letters)<br>Date by which the Fine is to be paid |
| (Note: The amount of fine shall be deposited in Bank)<br>Corrective actions ordered:                          | (Note: The amount of fine shall be deposited in Bank)<br>Corrective actions ordered:                                | (Note: The amount of fine shall be deposited in Bank)<br>Corrective actions ordered:                                | (Note: The amount of fine shall be deposited in Bank)<br>Corrective actions ordered:                          |
| Name of the Court having jurisdiction:  | Name of the Court having jurisdiction:  | Name of the Court having jurisdiction:  | Name of the Court having jurisdiction:  |
| Signature or Thumb Impression of the Offender:  | Signature or Thumb Impression of the Offender:  | Signature or Thumb Impression of the Offender:  | Signature or Thumb Impression of the Offender:  |
| Signatures of Inspector/ Seal   | Signatures of Inspector/ Seal   | Signatures of Inspector/ Seal   | Signatures of Inspector/ Seal   |
| Copy-1 (To be retained by Inspector)  | Copy-2 (To be retained by Offender on payment of fine)  | Copy-3 (To be returned to Inspector by offender after payment within ten days)                                      | Copy-4 (To be sent by the Bank to the local Accounts Officer)   |

**Ch Amer Habib  
Secretary General**