

**GOVERNMENT OF INDIA  
URBAN DEVELOPMENT AND POVERTY ALLEVIATION  
LOK SABHA**

UNSTARRED QUESTION NO:2405  
ANSWERED ON:03.12.2002  
URBAN REFORM INCENTIVE FUND  
IQBAL AHMED SARADGI

**Will the Minister of URBAN DEVELOPMENT AND POVERTY ALLEVIATION be pleased to state:**

- (a) whether the Centre has worked out reform-linked yardsticks for the urban sector, based on which it will disburse incentive funds to the States;
- (b) if so, whether it has also decided on the share of various States and Union Territories in the Rs.500 crore urban reform incentive fund;
- (c) if so, whether the first instalment is released to a State after it signs a memorandum of agreement with the Urban Development Ministry;
- (d) if so, the amount so far released to States;
- (e) whether any assessment report is likely to be sought from these States; and
- (f) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT & POVERTY ALLEVIATION ( SHRI O. RAJAGOPAL )

(a)&(b): Yes Sir, a provision of Rs.500.00 crores has been made in the current year's budget for the implementation of the Urban Reforms Incentive Fund (URIF), which is to be released as Central assistance to Annual Plans of the States. Planning Commission has worked out State-wise allocations on the basis of share of each State in urban population and included the same among States resources at the time of fixing the size of Annual Plan as per Annexure-I. In the initial phase the urban reforms would address the following areas:-

- i) Repeal of the Urban Land Ceiling and Regulation Act at the State level by Resolution;
- ii) Rationalisation of Stamp Duty in phases to bring it down to no more than 5% by the end of the Tenth Plan period;
- iii) Reform of Rent Control Laws to remove rent control so as to stimulate private investment in rental housing;
- iv) Introduction of computerized processes of registration;
- v) Reform of Property Tax so that it may become a major source of revenue of urban local bodies, and arrangements for its effective implementation so that collection efficiency reaches atleast 85% by the end of 10th Plan period;
- vi) Levy of reasonable user charges by Urban Local Bodies, with the objective that full cost of O & M (Operation & Maintenance) is collected by end of the Tenth Plan period;
- vii) Introduction of double entry system of accounting in urban Local Bodies.

(c)&(d): First instalment would be released to a State after it signs a Memorandum of Agreement (MoA) with Ministry of Urban Development & Poverty Alleviation. So far, no releases have been made because no State has so far signed MoA.

(e)&(f): Yes, Sir. Further, releases from Urban Reforms Incentive fund will be made in tranches after the signing of a Memorandum of Agreement by the concerned State Government with Ministry of Urban Development and Poverty Alleviation and upon achieving the prescribed milestones for various reform measures.

ANNEXURE-I

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) & (b) OF LOK SABHA UNSTARRED QUESTION NO 2405 DATED 03.12.2002

Allocation of ACA for Area Programme `Initiative for Strengthening Urban Infrastructure` - 2002-03 (AP)

ITEMS Share of Urban Popn. Allocation  
in total population (Rs. in Crore)

(In percent)

A SPECIAL CATEGORY STATES

1.	ARUNACHAL PRADESH	0.08	0.40
2.	ASSAM	1.19	5.95
3.	HIMACHAL PRADESH	0.21	1.05
4.	JAMMU & KASHMIR	0.88	4.40
5.	MANIPUR	0.20	1.00
6.	MEGHALAYA	0.16	0.80
7	MIZORAM	0.15	0.75
8.	NAGALAND	0.12	0.60
9.	SIKKIM	0.02	0.10
10.	TRIPURA	0.19	0.95
11.	UTTRANCHAL	0.76	3.80
	Sub-Total (A)	4.0	19.8

B NON SPECIAL CATEGORY STATES

1.	ANDHRA PRADESH	7.19	35.95
2.	BIHAR	3.04	15.20
3.	CHATTISGARH	1.46	7.30
4.	GOA	0.23	1.15
5.	GUJARAT	6.62	33.10
6.	HARYANA	2.14	10.70
7	JHARKHAND	2.10	10.50
8.	KARNATAKA	6.28	31.40
9.	KERALA	2.90	14.50
10.	MADHYA PRADESH	5.64	28.20
11.	MAHARASHTRA	14.37	71.85
12.	ORISSA	1.93	9.65
13.	PUNJAB	2.89	14.45
14.	RAJASTHAN	4.63	23.15
15.	TAMILNADU	9.55	47.75
16.	UTTAR PRADESH	12.09	60.45
17.	WEST BENGAL	7.88	39.40
	Sub-Total (B)	90.9	454.7

C UTs

1.	NCT OF DELHI	4.49	22.45
2.	PONDICHERRY	0.23	1.15

3.	A & N ISLANDS	0.04	0.20
4.	CHANDIGARH	0.28	1.40
5.	DADRA & NAGAR HAVELI	0.02	0.10
6.	LAKSHADWEEP	0.01	0.05
7	DAMAN & DIU	0.02	0.10
	Sub-Total (C)	5.1	25.5
	Grand Total	100.0	500.0