

**GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA**

UNSTARRED QUESTION NO:3591
ANSWERED ON:11.12.2009
FINANCIAL POSITION OF URBAN LOCAL BODIES
Chitthan Shri N.S.V.

Will the Minister of URBAN DEVELOPMENT be pleased to state:

- (a) whether the Union Government intends to bring necessary changes in planning and resource mobilization of urban local bodies in order to meet the challenges of urbanization;
- (b) if so, the details thereof;
- (c) whether the Government also proposes to formulate reform-oriented agenda for improving their financial strength towards sustainable growth; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI SAUGATA ROY)

(a) to (d) : The Government recognizes the importance of strengthening planning and resource mobilization in order to enable the Urban Local Bodies (ULBs) to meet the challenges of urbanization. Towards this objective it is supporting implementation of the urban sector reforms including property tax reforms, rationalization of stamp duty, implementation of double entry accounting systems, e-governance, levy of reasonable user charges, empowerment of ULBs in pursuance of 74th Constitutional Amendment Act and encouraging public private partnerships. The government has also been advocating innovative means of financing urban infrastructure through the `Tax free Municipal Bonds` and the `Pooled Finance Development Scheme` etc.