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PANCHAYATI RAJ DEPARTMENT
RESOLUTION

The 12th May 2008

Sub: Principle of distribution of Cess Grant (Zilla Parishad Share) pending finalization of Amendment of Cess Act for Zilla Parishad Share.

Principle of distribution of Cess Grants has been provided in the State Finance Commission Report dated June, 1999 regarding distribution of the said grants to Panchayati Raj Institutions (PRIs), the State Finance Commission has recommended mode of distribution at Para. 4.11 (c) (d) of the S.F.C. Report, which is duly approved by the Government in Action Taken Report.

It is further mentioned here that certain existing provisions of Orissa Cess Act, 1962 and Orissa Cess Rules, 1963 are required to be amended by the Revenue & Disaster Management Department. The Administrative Department to this effect, as per recommendation of the S.F.C. is to declare Z.P. as claimant of the cess grant. The State Finance Commission has recommended this grant to PRIs with a view to making the local bodies self sufficient and providing a satisfactory level of service to the community. The sole aim to place some funds with PRIs with the freedom to use the same for felt need of the community. On the other hand to deny the share to Z.Ps because of non-amendment of the Act, may defeat the sole aim of the recommendation of S.F.C.

Now, Government have been pleased to decide that, the distribution and utilization of cess grant (Zilla Parishad Share) shall hereafter be governed in accordance with the following principles :

- (1) The entire Zilla Parishad Share of cess grant for the current year/previous years are to be distributed for socially relevant purposes and activities.

- (2) The Zilla Parishad will utilize the entire share during a financial year for permanent infrastructure development ensuring improvement of P.R. Administration.
- (3) A separate Resolution will be passed in the Zilla Parishad indicating the project wise allocation of funds out of cess grant. There shall not be any overlapping in incurring expenditure out of cess grant by the Zilla Parishad.
- (4) When a project is selected for execution under cess grant, full cost shall be provided out of Zilla Parishad share of cess grant. The project shall be completed during one financial year.
- (5) The Zilla Parishad shall send the utilization certificates of the share received during the financial year duly countersigned by the Collectors at the quickest possible time to Panchayati Raj Department.

ORDER

Ordered that the Resolution be published in the next Extraordinary issue of the *Orissa Gazette*.

By order of the Governor

R.N. DASH

Commissioner-*cum*-Secretary to Government