



The Punjab Municipal Infrastructure Development Fund Act, 2011

Act 11 of 2011

Keyword(s):

Additional Tax, Fund, Infrastructure Development Fund, Municipality

Amendment appended: 8 of 2014, 16 of 2017

DISCLAIMER: This document is being furnished to you for your information by PRS Legislative Research (PRS). The contents of this document have been obtained from sources PRS believes to be reliable. These contents have not been independently verified, and PRS makes no representation or warranty as to the accuracy, completeness or correctness. In some cases the Principal Act and/or Amendment Act may not be available. Principal Acts may or may not include subsequent amendments. For authoritative text, please contact the relevant state department concerned or refer to the latest government publication or the gazette notification. Any person using this material should take their own professional and legal advice before acting on any information contained in this document. PRS or any persons connected with it do not accept any liability arising from the use of this document. PRS or any persons connected with it shall not be in any way responsible for any loss, damage, or distress to any person on account of any action taken or not taken on the basis of this document.

PART-I

DEPARTMENT OF LEGAL AND LEGISLATIVE AFFAIRS, PUNJAB

Notification

The 11th April, 2011

No. 15-Leg. 2011.—The following Act of the Legislature of the State of Punjab received the assent of the Governor of Punjab on the 8th April, 2011 and is hereby published for general information :—

**THE PUNJAB MUNICIPAL INFRASTRUCTURE DEVELOPMENT
FUND ACT, 2011**

(Punjab Act No. 11 of 2011)

AN

ACT

to assign to the Municipalities for a period of ten years, the part amount of additional tax levied and collected under the Punjab Value Added Tax Act, 2005, with a view to constitute the Punjab Municipal Infrastructure Development Fund to provide financial assistance to the Municipalities for their development and for the matters connected therewith or incidental thereto.

BE it enacted by the Legislature of the State of Punjab in the Sixty-second Year of the Republic of India, as follows :—

1. (1) This Act may be called the Punjab Municipal Infrastructure Development Fund Act, 2011. Short title and commencement.

(2) It shall come into force at once.

2. In this Act, unless the context otherwise requires,— Definitions.

(a) “additional tax” means the additional tax levied and collected under the Punjab Value Added Tax Act, 2005 ;

(b) “Director” means the Director, Local Government Department, Punjab ;

(c) “Fund” means the Punjab Municipal Infrastructure Development Fund, constituted under section 3 of this Act ;

(d) “Infrastructure Development Project” shall include the construction, renovation, upgradation, repair or providing of basic civic amenities of—

(i) roads ;

(ii) bridges (including over-bridges, under-bridges, causeways, pedestrian cross bridges etc.) ;

- (iii) street lighting ;
 - (iv) drainage ;
 - (v) sanitation ;
 - (vi) solid waste management (including waste recycling);
 - (vii) water supply ;
 - (viii) sewerage and sewerage treatment plant ;
 - (ix) storm water drains ;
 - (x) parking sites and services ;
 - (xi) markets and shopping complexes ;
 - (xii) parks, play grounds and stadiums ;
 - (xiii) slum housing and development projects ;
 - (xiv) upgradation or construction of community centres or dharamshalas ;
 - (xv) burial grounds, cremation ghats or grounds and electric crematorium ;
 - (xvi) other projects providing for public services ;
 - (xvii) any other infrastructure or appliances connected with the above projects ; and
 - (xviii) various projects under the Jawaharlal Nehru National Urban Renewal Mission, Urban Infrastructure Development Scheme for Small and Medium Towns and schemes, launched by the Central Government and the State Government ;
- (e) "Municipality" shall have the same meaning as assigned to it in clause (e) of article 243-P of the Constitution of India ;
- (f) "prescribed" means prescribed by rules made under this Act; and
- (g) "State Government" means the Government of the State of Punjab in the Department of Local Government.

PUNJAB GOVT GAZ. (EXTRA.), APRIL 11, 2011 39
(CHTR 21, 1933 SAKA)

3. (1) There shall be constituted a Fund, to be called the Punjab Municipal Infrastructure Development Fund, which shall vest in the State Government. Constitution of the Fund.

(2) Twenty per cent of the additional tax, levied and collected under the Punjab Value Added Tax Act, 2005, shall be credited direct to the Fund :

Provided that the amount so credited to the Fund shall not be less than Rs. 200 crore (Rupees two hundred crore only) per annum :

Provided further that in the event of the amount credited to the Fund under sub-section (2) falling short of Rs. 200 crore (Rupees two hundred crore), the State Government shall make it up by giving the amount so falling short, as grant-in-aid.

(3) If at any time during the period of ten years from the date of commencement of this Act, the current rate of additional tax decreases, the State Government shall make up the Fund amount by assigning the requisite part of the additional tax.

4. (1) The Fund shall be utilized to raise resources for infrastructure development projects from the Nationalized or Scheduled Banks or financial institutions for providing financial assistance to the Municipalities for the development of infrastructure development projects. Object and administration of the Fund.

(2) The Fund shall be administered by the Director in the manner, as may be prescribed.

5. Twenty per cent of the amount of additional tax, referred to in sub-section (2) of section 3, shall be deposited in the Fund, in the manner, as may be prescribed. Collection and deposit of tax.

6. The Director shall maintain the accounts of the Fund and shall quarterly reconcile the amount credited to the Fund with the concerned District Treasury Officer, and submit quarterly report in this regard to the State Government. Maintenance of accounts.

7. The Fund shall be audited by the Comptroller and Auditor-General of India in accordance with the provisions of the Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971 (Central Act 56 of 1971). Audit.

8. The annual report in respect of receipts into the Fund and distribution made out of the Fund to the Municipalities, shall be prepared by the State Government and be submitted to the State Legislature. Submission of annual report.

Power to make rules.

9. (1) The State Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) for providing the manner in which the Fund shall be administered under sub-section (2) of section 4; and

(b) for prescribing the manner in which the amount of additional tax under section 5 is to be deposited.

Protection of actions taken in good faith.

10. No suit, prosecution or other legal proceeding shall lie against the State Government or any officer or employee of the State Government or any other person or authority, authorized by the State Government for anything, which is done or intended to be done in good faith under this Act or the rules made there-under.

Power to remove difficulties.

11. If any difficulty arises in giving effect to any of the provisions of this Act, the State Government may, by an order published in the Official Gazette, make such provision, not inconsistent with the provisions of this Act, as may appear to be necessary for removing the difficulty :

Provided that no such order shall be made under this section after the expiry of a period of two years from the date of commencement of this Act.

Repeal and saving.

12. (1) The Punjab Municipal Infrastructure Development Fund Ordinance, 2010 (Punjab Ordinance No. 10 of 2010), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Ordinance referred to in sub-section (1), shall be deemed to have been done or taken under this Act.

GOBINDER SINGH,

Secretary to Government of Punjab,
Department of Legal and Legislative Affairs.

PART I

GOVERNMENT OF PUNJAB

DEPARTMENT OF LEGAL AND LEGISLATIVE AFFAIRS, PUNJAB

NOTIFICATION

The 3rd April, 2014

No.8-Leg./2014.- The following Act of the Legislature of the State of Punjab received the assent of the Governor of Punjab on the 25th Day of March, 2014, is hereby published for general information:-

**THE PUNJAB MUNICIPAL INFRASTRUCTURE
DEVELOPMENT FUND (AMENDMENT) ACT, 2014**

(Punjab Act No. 8 of 2014)

AN

ACT

further to amend the Punjab Municipal Infrastructure Development Fund Act, 2011.

BE it enacted by the Legislature of the State of Punjab in the Sixty-fifth Year of the Republic of India, as follows:-

1. (1) This Bill may be called the Punjab Municipal Infrastructure Development Fund (Amendment) Act, 2014. Short title and commencement.

(2) It shall come into force with immediate effect.

2. In the Punjab Municipal Infrastructure Development Fund Act, 2011, in section 4, in sub-section (1), after the words "financial institutions", the words "or State Government Undertakings" shall be added. Amendment in section 4 of Punjab Act 11 of 2011.

H.P.S. MAHAL,

Secretary to Government of Punjab,
Department of Legal and Legislative Affairs.

PART I

GOVERNMENT OF PUNJAB

DEPARTMENT OF LEGAL AND LEGISLATIVE AFFAIRS, PUNJAB

NOTIFICATION

The 8th August, 2017

No.20-Leg./2017.- The following Act of the Legislature of the State of Punjab received the assent of the Governor of Punjab on the 31st day of July, 2017, is hereby published for general information:-

**THE PUNJAB MUNICIPAL INFRASTRUCTURE
DEVELOPMENT FUND (AMENDMENT) ACT, 2017.**

(Punjab Act No. 16 of 2017)

AN

ACT

further to amend the Punjab Municipal Infrastructure Development Fund Act, 2011.

BE it enacted by the Legislature of the State of Punjab in the Sixty-eighth Year of the Republic of India as follows:-

1. (1) This Act may be called the Punjab Municipal Infrastructure Development Fund (Amendment) Act, 2017. Short title and commencement.
(2) It shall come into force on and with effect from the date of its publication in the Official Gazette.
2. In the Punjab Municipal Infrastructure Development Fund Act, 2011 (hereinafter referred to as the principal Act), for the existing long title, the following long title shall be substituted, namely:- Substitution of long title of Punjab Act 11 of 2011.
"to provide for grant-in-aid to the Municipalities with a view to constitute the Punjab Municipal Infrastructure Development Fund to provide financial assistance to the Municipalities for their development and for the matters connected therewith or incidental thereto."
3. In the principal Act, in section 2,- Amendment in section 2 of Punjab Act 11 of 2011.
 - (i) clause (a) shall be omitted; and
 - (ii) after clause (c), the following clause shall be inserted, namely:-
"(cc) "grant-in-aid" means the grant-in-aid provided from the Consolidated Fund of the State as compensatory payment under the State Budget till the financial year 2020-2021;"

4. In the principal Act, in section 3,-
- (i) for sub-section (2), the following sub-section shall be substituted, namely:-
- "(2) The grant-in-aid shall be deposited into the Fund:
Provided that the amount of grant-in-aid, so deposited into the Fund, shall not be less than Rs. 200 crore (Two hundred crore rupees) per annum or proportion thereof:
Provided further that the amount of grant-in-aid shall increase at the rate of fourteen per cent per annum over the previous year:
Provided further that the amount of grant-in-aid shall be deposited into the Fund on monthly basis."; and
- (ii) sub-section (3) shall be omitted.
5. In the principal Act, for section 5, the following section shall be substituted, namely:-
- "5. The grant-in-aid, referred to in sub-section (2) of section 3, shall be deposited into the Fund in such manner, as may be prescribed."
Manner of depositing grant-in-aid.
6. In the principal Act, for section 6, the following section shall be substituted, namely:-
- "6. The Director shall maintain the accounts of the grant-in-aid deposited into the Fund and the expenditure made out of the Fund."
Maintenance of accounts.
7. In the principal Act, in section 9, in sub-section (2), for clause (b), the following clause shall be substituted, namely:-
- "(b) for prescribing the manner in which the amount of grant-in-aid under section 5 is to be deposited. "
- Amendment in section 3 of Punjab Act 11 of 2011.
- Substitution of section 5 of Punjab Act 11 of 2011.
- Substitution of section 6 of Punjab Act 11 of 2011.
- Amendment in section 9 of Punjab Act 11 of 2011.

VIVEK PURI,
Secretary to Government of Punjab,
Department of Legal and Legislative Affairs.