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### RESEARCH ARTICLE

#### AN ECONOMIC STUDY ON TOWN PANCHAYAT IN TAMIL NADU.

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#### Abstract

Tamil Nadu is the first State to have introduced a classification in the status of local bodies as 'Town Panchayat', which was planned as a transitional body between Rural and Urban Local Bodies. Among the Local Bodies, the Town Panchayats were conferred with individual administrative powers and an enhanced staff pattern and these Town Panchayats with unique functional characters have been in existence for long time. The Town Panchayats were provided with well devised accounting and auditing procedures and the service delivery to the public has been better. The Town Panchayats are normally places of importance such as Division / Taluk headquarters, Tourist Spots, Pilgrim Centers and Commercial/Industrial towns. This has necessitated special attention to the civic needs of the Town Panchayats.

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#### Introduction:-

Tamil Nadu is the first State to have introduced a classification in the status of local bodies as 'Town Panchayat', which was planned as a transitional body between Rural and Urban Local Bodies. Among the Local Bodies, the Town Panchayats were conferred with individual administrative powers and an enhanced staff pattern and these Town Panchayats with unique functional characters have been in existence for long time. The Town Panchayats were provided with well devised accounting and auditing procedures and the service delivery to the public has been better. The Town Panchayats are normally places of importance such as Division / Taluk headquarters, Tourist Spots, Pilgrim Centers and Commercial/Industrial towns. This has necessitated special attention to the civic needs of the Town Panchayats.

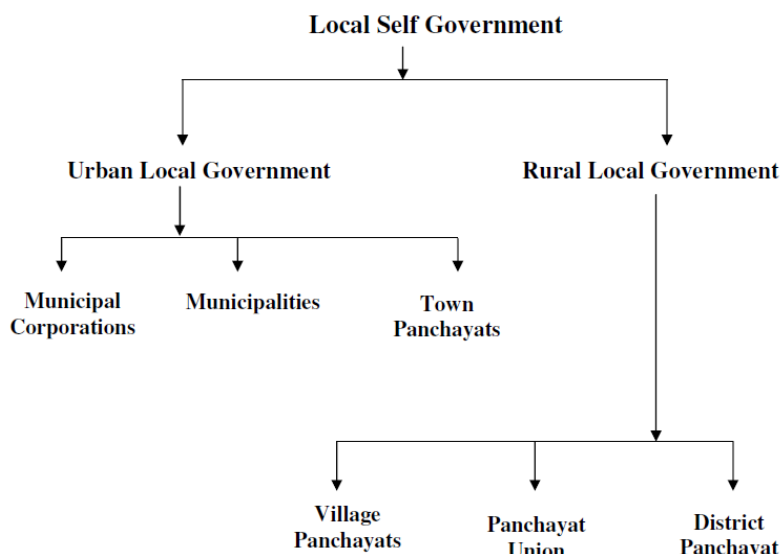
#### Objective and goal of Town Panchayat Department:

1. To ensure responsive, accountable, transparent and people-friendly civic administration.
2. To develop administration that takes the citizens into total confidence, in all the schemes implementation in Town Panchayats.

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### Structure of Local Self Government in Tamil Nadu:-



### Administration of Town Panchayats:-

For the convenience of administration, the whole area in the state is divided into several regions, which shall be placed in the charge of The Assistant Director. They will function independently and directly under the Director of Town Panchayats who is the head of the department. The District Collector acts as an inspector and has concurrent powers in the administration. Every Town Panchayat is administered by an Executive Officer who is answerable to either the Assistant Director or The Collector.

The Executive Officer is expected to work side by side with The Chairperson and the councilors of the panchayat.

### Present Status of Town Panchayats in Tamil Nadu:-

Now there are 561 Town Panchayats under 16 Zones in the state. The state has four grades of Town Panchayats viz., the Special Grade, the Selection Grade, the Grade I and the Grade II.

### Functions in Town Panchayat:-

Local bodies are completely responsible for the developmental administration in the state. Maintenance of clean environment, primary health facilities gain the foremost importance. Apart from them water supply, roads and buildings, storm-water drains, street lighting, solid waste management, sanitation and bus-stands cum commercial complexes etc are the prime duties of the local bodies. Centrally sponsored schemes like Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Indira Awaas Yojana (IAY), Member of Parliament Local Area Development Scheme (MPLADS), etc, and State-funded Schemes like Tamil Nadu Village Habitation Improvement Scheme (THAI), Member of Legislative Assembly Constituency Development Scheme (MLACDS), Self-Sufficiency Scheme, Solar-Powered Green-House Scheme are also undertaken by the local bodies. Source of revenue for these local bodies are mainly from centre-state governments. Local bodies also have the power of taxation which include House Tax, Profession Tax, Property Tax etc. Apart from these they levy fees for specific building plan and layout approvals, Water charges, Sewerage charges etc.

### Importance of Town Panchayat:-

Town Panchayats are drivers of economic growth and offer opportunities for social and cultural development of people. The Total population of the Town Panchayats is 70,89,528, which accounts for 11.36% of the total population of the State as per 2001 Census and 25.80% in Urban Population. There has been huge flow of floating population to all these towns from adjoining rural areas. Many of the Town Panchayats are of Tourism, Pilgrim importance and heritage towns and also the economic, industrial clusters. It is therefore, necessary to provide adequate infrastructure facilities such as water supply, sanitation, roads, street lighting and other public amenities

such as Slaughter houses, Burial / Cremation Ground, bus stands, Shandies. The Government proposes to adopt a holistic approach covering all civic amenities and infrastructure to these towns.

**Sources of Revenue of Town Panchayats:-**

Property Tax, Professional Tax, License Fees, Rents and other charges such as water charges

Surcharge on Stamp duty, Devolution grants from the Government, Other miscellaneous incomes such as interest on deposits

**Accounts in Town Panchayat:-**

Maintenance of Annual Accounts, Preparation of Annual Budget, Implementation of Annual plans and in case of any deficit, revised estimate is prepared. The Bills showing the expenditure details are scrutinized carefully and amount settled by issuing cheques. The loans and grants received from Government and non-Governmental organization are utilized for the Developmental works. Loans are also promptly repaid in due installments. The Funds distribution for the Town Panchayats by the 10th & 11th Finance Commissions are specifically spent under the respective Heads only for which it is allotted. The funds allotted under MLA funds, MP Fund, MP Fund are received and spent for the development works approved and sanctioned by them. The Bills submitted by the contractors for undertaking works are also scrutinized carefully and passed by issuing cheques. The grants for the particular plans and the loans taken for implementation of the plans are also utilized for passing of the Bills submitted by the contractors. This the amount is settled by issuing of cheques.

**Conclusion:-**

Local Government is an agency organized to provide and supervise administrative, fiscal, and other services rendered to the people who reside within its territorial boundaries. It is the level of government which is accountable to the public directly. The town panchayats can augment their own resources only through tax and non-tax revenues. They also receive assigned revenue, grants-in-aid and loans from the governments. The governments, by providing adequate financial assistance in a purposive manner, can help the town panchayats to ward off their financial burden. Building up of adequate resources is the need of the hour for the successful functioning of town panchayats and both the town panchayats and the governments have to go a long way in this direction.

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