

**THE ODISHA MUNICIPAL CORPORATION (AMENDMENT) BILL, 2015**

**A**

**BILL**

**FURTHER TO AMEND THE ODISHA MUNICIPAL CORPORATION ACT, 2003**

BE it enacted by the Legislature of the State of Odisha in the Sixty-sixth Year of the Republic of India as follows:—

Short title. 1. *This Act may be called the Odisha Municipal Corporation (Amendment) Act, 2015.*

Amendment  
of section  
119.

2. In the Municipal Corporation Act, 2003, in sub-section (3) of section 119, for the proviso, the following proviso shall be substituted, namely: —

Odisha Act  
11 of 2003.

“Provided that pay, allowances and pensionary benefits shall be such as may be decided by the Government from to time.”

### STATEMENT OF OBJECTS AND REASONS

1. The proviso to sub-section (3) of section 119 of the Odisha Municipal Corporation Act, 2003 (Odisha Act 11 of 2003) provides that pay, allowances and pensionary benefits to the members of the corporation services shall be at par with those payable to incumbents of the comparable posts under the Government. Whereas section 81 of the Odisha Municipal Act, 1950, inter alia, empowers the State Government to make rules relating to pay and allowance of the officers and servants of the Municipalities who are covered under the Local Fund Service. In sub-rule (1) of rule 4 of the Odisha Local Fund Service Rules, 1975, there was provision that the LFS cadre employee shall get the time scale of pay and allowance as are admissible to employees of similar cadre under the Government who have duties and responsibilities of equal nature. It is relevant to mention that the sub-rule (1) of rule 4 of the Odisha Local Fund Service Rules, 1975 has been amended as follows:-

"(1) The time scale of pay and allowances to the employees of the service shall be such as may be decided by Government from time to time."

2. As salary of the employees of the Urban Local Bodies (ULBs) including Municipal Corporations are to be borne by concerned ULBs from their own sources, discretion may be given to every municipality to determine pay and allowances of its employees and they should not be saddled with burden to pay, allowance and pensionary benefits payable to employees of the Government. As a matter of policy, the salary expenditure of the concerned ULB including Municipal Corporation should not exceed the prudential limit of 35% of their own source.
3. The provision of payment of pay and allowances to the Corporation employees at par with the Government employees is putting unnecessary burden on the Government, as the financial capacity of all the Municipal Corporations are not same. Besides, some Corporations do not have sufficient funds to pay the doses of D.A. to their employees as announced by the Government from time to time for Government employees.
4. Hence, to ensure uniformity in respect of payment of pay and allowances among the Corporations employees, it is considered expedient to amend suitably the proviso to sub-section (3) of section 119 of the Odisha Municipal Corporation Act, 2003.

The Bill seeks to achieve the above objectives.

PUSPENDRA SINGH DEO

*Member-in-Charge*

## ANNEXURE

[Extract from the Odisha Municipal Corporation Act, 2003 (Odisha Act 11 of 2003)]

Corporation Service	119. (1)	XX	XX	XX
	(2)	XX	XX	XX

(3) Pay, allowances and pensionary benefits payable to the members of the Corporation services shall be paid out of the Corporation fund:

Provided that such pay, allowances and pensionary benefits shall be at par with those payable to incumbents of the comparable posts under the Government.

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