

The Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994

(ACT NO. 45 OF 1994)

(*As on the* 31*st May,* 2026)

AMENDING ACT

The Punjab Municipal Corporation Law (Extension to Chandigarh) Amendment Act, 2000 (50 of 2000).

LIST OF ABBREVIATIONS USED

Cl., cls.	*for*	Clause, clauses.
Ins.	,,	Inserted.
Notifn.	,,	Notification.
S., ss.	,,	Section, sections.
Sch.	,,	Schedule.
Subs.	,,	Substituted.
w.e.f.	,,	with effect from.

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THE PUNJAB MUNICIPAL CORPORATION LAW (EXTENSION TO CHANDIGARH) ACT, 1994

ARRANGEMENT OF SECTIONS

SECTIONS

1. Short title and commencement.
2. Extension and amendments of Punjab Act 42 of 1976.
3. Repeal of Punjab Act III of 1911 and savings.
4. Transitory provision.
5. Repeal of Ordinance 7 of 1994 and saving.

THE SCHEDULE.

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THE PUNJAB MUNICIPAL CORPORATION LAW (EXTENSION TO CHANDIGARH) ACT, 1994

ACT NO. 45 OF 1994

[22*nd July*, 1994.]

An Act to provide for the extension of the Punjab Municipal Corporation Act, 1976 to the Union territory of Chandigarh.

BE it enacted by Parliament in the Forty-fifth Year of the Republic of India as follows:—

1. Short title and commencement.—(*1*) This Act may be called the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994.

(*2*) It shall be deemed to have come into force on the 24th day of May, 1994.

2. Extension and amendments of Punjab Act 42 of 1976.—(*1*) The Punjab Municipal Corporation Act, 1976 is hereby extended to, and shall be in force in, the Union territory of Chandigarh.

(*2*) With effect from the commencement of this Act,—

(*a*) the references, in the Punjab Municipal Corporation Act, 1976 (Pun. Act 42 of 1976), to State, authorities, or City mentioned in column 1 of Part I of the Schedule annexed to this Act shall be construed as if references therein to State, authorities, or City respectively mentioned or referred to opposite thereto in column 2 of that Part;

(*b*) the Punjab Municipal Corporation Act, 1976 (Pun. Act 42 of 1976) shall be amended as specified in Part II of the Schedule.

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3. Repeal of Punjab Act III of 1911 and savings.—(*1*) The Punjab Municipal Act, 1911 in so far as it applies to the Union territory of Chandigarh or any part thereof shall stand repealed on the coming into force of this Act:

Provided that the repeal shall not affect—

(*a*) the previous operation of the Punjab Municipal Act, 1911 (Pun. Act III of 1911) so repealed or anything duly done or suffered thereunder, or

(*b*) any right, privilege, obligation or liability acquired, accrued or incurred under the said Act so repealed, or

(*c*) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation or liability as aforesaid,

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced as if this Act had not been passed:

Provided further that, subject to the preceding proviso, anything done or any action taken (including any appointment or delegation made, notification, instruction or direction issued, form or bye-law framed, certificate obtained, permit or licence granted or registration effected) under such Act shall be deemed to have been done or taken under the corresponding provisions of the Act now extended to that Union territory, and shall continue to be in force accordingly unless and until superseded by anything done or any action taken under the said Act.

(*2*) In every law or notification passed or issued before the commencement of this Act in which reference is made to or to any Chapter or section or provision of the said Act hereby repealed, such references shall, so far as may be practicable, be taken to be made to the said Act or, their corresponding Chapter or section.

4. Transitory provision.—Notwithstanding anything contained in this Act, the Central Government may, if necessary, appoint a person to be called the Special Officer, to exercise the powers and discharge the functions of the Municipal Corporation of Chandigarh until the day on which the first meeting of the Corporation is held after the commencement of this Act.

5. Repeal of Ordinance 7 of 1994 and saving.—(*1*) The Punjab Municipal Corporation Law (Extension to Chandigarh) Ordinance, 1994 is hereby repealed.

(*2*) Notwithstanding such repeal, anything done or any action taken under the Ordinance so repealed shall be deemed to have been done or taken under the corresponding provisions of this Act.

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THE SCHEDULE

(*See* section 2)

THE PUNJAB MUNICIPAL CORPORATION ACT, 1976

(PUNJAB ACT 42 OF 1976)

PART I

References	Constructions
1	2
1. Punjab State	Union territory of Chandigarh
2. State of Punjab	
3. Whole of Punjab State	
4. Whole of the State of Punjab	
5. Punjab where it refers to the State of Punjab	
6. Punjab Government	Administrator
7. Government of Punjab	
8. Government of the State of Punjab	
9. State Government	
10. The Government of Punjab	
11. Government	
12. Divisional Commissioner	prescribed authority
13. Director	
14. Associate councillor	Councillor
15. City	Chandigarh.

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PART II

Section 2,—

(*a*) for clause (*1*), substitute—

'(*1*) "Administrator" means the administrator of the Union territory of Chandigarh appointed by the President under article 239 of the Constitution;

(*1A*) "backward classes" means any of the backward classes specified from time to time by the Administrator and whose names are published in the Official Gazette;';

(*b*) omit clause (*6*);

(*c*) after clause (*7*), insert—

'(*7A*) "Corporation" means the Municipal Corporation of Chandigarh constituted under this Act;';

(*d*) after clause (*8*), insert—

'(*8A*) "councillor", in relation to the Corporation, means a person elected or nominated under sub-section (*3*) of section 4;';

(*e*) for clause (*10*), substitute—

'(*10*) "district" means district of Chandigarh covering the entire area of the Union territory of Chandigarh;

(*10A*) "District Planning Committee" means a Committee constituted under article 243ZD of the Constitution;';

(*f*) omit clause (*12*);

(*g*) after clause (*14*), insert—

'(*14A*) "Election Commission" means the Election Commission of the Union territory of Chandigarh referred to in section 10;';

(*h*) after clause (*17*), insert—

'(*17A*) "Finance Commission" means the Finance Commission of the Union territory of Chandigarh referred to in section 84A;';

(*i*) for clause (*23*), substitute—

'(*23*) "licensed architect", "licensed engineer" and "licensed plumber" mean respectively a person registered and licensed as architect, engineer and plumber, under section 16 of the Capital of Punjab (Development and Regulation) Act, 1952 (Punjab Act XXVII of 1952);';

(*j*) after clause (*26*), insert—

'(*26A*) "Municipality" means an institution of self-government constituted under article 243Q of the Constitution;

(*26B*) "Municipal area" means the territorial area of the Municipality as is notified by the Administrator under section 3 of the Act;';

(*k*) after clause (*36*), insert—

'(*36A*) "population" means the population as ascertained at the last preceding census of which the relevant figures have been published;';

(*l*) after clause (*37*), insert—

'(*37A*) "prescribed authority" means such authority or officer as the Administrator may, from time to time, by order to be published in the Official Gazette, prescribe:

Provided that the Administrator may prescribe different authorities or officers for different provisions of this Act;';

(*m*) for clause (*43*), substitute—

'(*43*) "public street" means any street or the soil below the surface thereof which is specifically vested in the Corporation by an order of the Administrator issued in this behalf;';

(*n*) for clause (*51*), substitute—

'(*51*) "rural areas" means the areas of the Union territory of Chandigarh which are not urban areas;';

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(*o*) for clause (*52*), substitute—

'(*52*) "Scheduled Caste" means any of the Scheduled Castes specified in Part II of the Schedule to the Constitution (Scheduled Castes) (Union territories) Order, 1951;';

(*p*) for clause (*60*), substitute—

'(*60*) "urban areas" means such areas as the Administrator, may, having regard to the population of the area, density of the population therein, the revenue generated for local administration, the percentage of employment in non-agricultural activities, the economic importance or such other factors as he may deem fit, specify to be urban area by notification in the Official Gazette;'.

After section 2, insert—

"**2A. The application of certain definitions of the Capital of Punjab (Development and Regulation) Act, 1952.—**The words used and not defined in this Act but defined in the Capital of Punjab (Development and Regulation) Act, 1952 (Punjab Act XXVII of 1952) shall have the meanings respectively assigned to them in that Act.".

For section 3, substitute—

"**3. Declaration of area to be municipal area.—**(*1*) For the purposes of this Act, the Administrator shall, by notification, specify such territorial area of the Union territory of Chandigarh to be the Municipal area of the Municipal Corporation of Chandigarh.

(*2*) The Administrator may, from time to time, after consultation with the Corporation, by notification, alter the limit specified under sub-section (*1*) so as to include therein or to exclude therefrom such area as may be specified in the notification. The Corporation shall send its views to the Administrator within a period of three months of the date on which it is first consulted.

(*3*) The power to issue a notification under sub-section (*2*) shall be subject to the condition of previous publication.

(*4*) When the limits specified under sub-section (*1*) are altered so as to include therein any area, this Act and, except as the Administrator may otherwise by notification direct, all rules, notifications, bye-laws, orders, directions and powers made, issued or conferred and all taxes and fees imposed under this Act and in force throughout the area specified under sub-section (*1*) shall apply to such included area.".

Section 4,—

(*a*) for sub-section (*1*), substitute—

"(*1*) For the purposes of carrying out the provisions of this Act, there shall be a corporation charged with the municipal government, to be known as the Municipal Corporation of Chandigarh.";

(*b*) in sub-section (*2*), for "Every", substitute "The";

(*c*) for sub-section (*3*), substitute—

"(*3*) The Corporation shall be composed of the following members, namely:—

(*i*) members to be directly elected, representing wards;

(*ii*) nine members with voting rights to be nominated by the Administrator, from amongst the persons who are eminent or distinguished in public affairs or those who have special knowledge or practical experience in respect of [1][municipal administration; and]

1. Subs. by Act 50 of 2000, s. 2, for "municipal administration" (w.e.f. 11-12-2000).

[1][(*iii*) the member of the House of the People representing the constituency which comprises wholly or partly, the municipal area, with the right to vote.]

Section 5.—In sub-section (*2*),—

(*i*) in the first proviso, for "forty and more than fifty", substitute "twenty";

(*ii*) omit second proviso.

For section 6, substitute—

"**6. Reservation of seats for women, Scheduled Castes and backward classes.—**(*1*) Seats shall be reserved for women belonging to the Scheduled Castes, from amongst the seats reserved under sub-section (*4*) of section 5 for the Scheduled Castes, the number of such seats being determined by the Administrator by an order published in the Official Gazette, which shall not be less than one-third of the total number of seats reserved for the Scheduled Castes.

(*2*) Seats shall be reserved for women, the number of such seats being determined by an order published in the Official Gazette by the Administrator which shall not be less than one-third (including the number of seats reserved for women belonging to the Scheduled Castes) of the total number of seats to be filled up by direct election:

Provided that the seats reserved for the Scheduled Castes or for women (including those belonging to the Scheduled Castes) shall be allotted by rotation to different wards in such a manner as the Administrator may, by order published in the official Gazette in this behalf, determine.

(*3*) The reservation of seats under sub-section (*4*) of section 5 and under sub-section (*1*) of this, section shall cease to have effect on the expiration of the period specified in article 334 of the Constitution.

(*4*) The Administrator may, if he considers it necessary, by an order published in the Official Gazette, direct that such number of seats as may be specified in the order shall be reserved in favour of backward classes of citizens:

Provided that, when a backward class is deleted by an order of the Administrator, the member elected from such class shall not cease to hold office merely as a result of such deletion and shall hold office as he would have held had the deletion not been made.".

For section 7, substitute—

"**7. Duration of the Corporation.—**(*1*) The Corporation, unless sooner dissolved under section 407, shall continue for five years from the date appointed for its first meeting and no longer.

(*2*) An election to constitute the Corporation shall be completed—

(*a*) before the expiry of its duration specified in sub-section (*1*);

(*b*) before the expiration of a period of six months from the date of its dissolution:

Provided that where the remainder of the period for which the dissolved Corporation would have continued is less than six months, it shall not be necessary to hold any election under this sub-section for constituting the Corporation for such period.

(*3*) The Corporation constituted upon its dissolution before the expiration of its duration shall continue only for the remainder of the period for which the dissolved Corporation would have continued under sub-section (*1*) had it not been so dissolved.".

1. Ins. by Act 50 of 2000, s. 2 (w.e.f. 11-12-2000).

Section 8.—For sub-section (*2*), substitute—

"(*2*) The Administrator shall, by an order in the Official Gazette, determining,—

(*a*) the number of wards; and

(*b*) extent of each ward.

(*3*) The Election Commission shall, by an order in the Official Gazette, determine the wards in which seats shall be reserved for the Scheduled Castes, for women and the manner in which seats shall be rotated under the proviso to sub-section (*2*) of section 6.".

For section 10, substitute—

"**10. Elections to the Corporation.**—(*1*) The superintendence, direction and control of preparation of the electoral rolls for, and the conduct of all elections to the Corporation shall be vested in the Election Commission appointed under section 7 of the Delhi Municipal Corporation Act, 1957 (66 of 1957), and the Election Commission so appointed under that section shall be responsible for the functions conferred on the Election Commission under this sub-section.

(*2*) The Administrator shall, when so requested by the Election Commission, make available to that Commission such staff which the Administrator considers necessary for the discharge of the functions conferred on the Commission by sub-section (*1*).".

Section 12.—In clause (*a*), for "twenty-five years", substitute "twenty-one years".

Section 13,—

(*i*) in sub-section (*1*), after clause (*l*), insert—

"(*m*) if he is so disqualified by or under any law for the time being in force for the purposes of elections to the House of the People:

Provided that no person shall be disqualified on the ground that he is less than twenty-five years of age, if he has attained the age of twenty-one years;

(*n*) if he is so disqualified by or under any law made by Parliament.";

(*ii*) in sub-section (*2*), after clause (*c*), insert—

"(*d*) a person shall not be disqualified for being nominated as a member of the Corporation on the ground that he holds office of profit for the purposes of election to the House of the People under any law for the time being in force.".

After section 13, insert—

"**13A. Decisions on questions as to disqualification of members.**—(*1*) If any question arises as to whether a member has become subject to any disqualifications mentioned in section 13, the question shall be referred for the decision of the Administrator and his decision shall be final.".

Section 15,—

(*i*) omit sub-section (*2*);

(*ii*) in sub-section (*3*), for "Director", substitute "Administrator".

Section 16,—

(*i*) in sub-section (*1*), for "Director", substitute "Administrator";

(*ii*) in the proviso to sub-section (*1*), for "four", substitute "six";

(*iii*) in sub-section (*2*),—

(*a*) in the opening portion, for "Scheduled Castes", substitute "Scheduled Castes, backward classes or for the women, as the case may be,";

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(*b*) after the words "Scheduled Castes" occurring at the end, add "backward classes or be a woman".

Section 17,—

(*a*) omit "or co-opted" and "or co-option";

(*b*) for "Director", substitute "Election Commision".

Section 35.—In sub-section (*1*), omit "other than an associated councillor".

After section 35, insert—

"**35A. Vacation of seats in case of multiple membership.**—No councillor shall be a member both of the Corporation and Parliament and if a person is so chosen, then at the expiration of fourteen days from the date of the publication in the Gazette of India, or as the case may be, in the Official Gazette whichever is later, that he has been so chosen, that person's seat in Parliament shall become vacant unless he has previously resigned his seat in the Corporation.".

Section 36.—For sub-section (*1*), substitute—

"(*1*) If a councillor becomes subject to any of the disqualifications mentioned in section 13, his seat shall thereupon become vacant.

(*1A*) If during three successive months, a councillor is, without permission of the Corporation, absent from all meetings thereof, the Corporation may declare his seat vacant.".

Section 38,—

(*a*) for sub-sections (*1*), (*2*) and (*2A*), substitute—

"(*1*) The Corporation shall, at its first meeting in each year, elect one of its elected members to be the Chairperson to be known as the Mayor and the other two such members to be the Senior Deputy Mayor and the Deputy Mayor of the Corporation:

Provided that during the duration of the Corporation, the office of the Mayor shall be reserved in favour of a member who is a woman for the first and the fourth year of the Corporation and in favour of a member belonging to a Scheduled Caste in the third year of the Corporation.";

(*b*) after sub-section (*3*), insert—

"(*3A*) If the vacancy be a casual vacancy in the office of the Mayor and is reserved for a woman or for a member belonging to the Scheduled Caste, the vacancy shall be filled by electing one of the councillors from amongst women or members of the Scheduled Castes, as the case may be.";

(*c*) for sub-section (*6*), substitute—

(*6*) The Mayor may obtain reports from the Commissioner on any matter connected with the municipal government of Chandigarh.".

After section 41, insert—

"**41A. Wards Committees.**—(*1*) There shall be constituted such number of Wards Committees consisting of one or more wards, within the territorial area of the Corporation, as the Administrator may, from time to time, by order published in the Official Gazette, determine. The order shall indicate the name of the Wards Committee and also the extent of the area comprised within the jurisdiction of such Committee.

(*2*) Each Wards Committee shall consist of—

(*a*) all the councillors, elected from the wards in the territorial jurisdiction of the Committee;

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(*b*) the person, if any, nominated by the Administrator, under clause (*ii*) of sub-section (*3*) of section 4 if his name is registered as an elector within the territorial limits of the Committee;

(*c*) such number of persons, as may be prescribed, to be nominated by the Administrator.

41B. Chairperson of Wards Committee.—(*1*) The Wards Committee shall, at its first meeting in each year, elect one of its members who is a councillor to be Chairperson:

Provided that where a Wards Committee consists of one ward only, the councillor representing that ward in the Corporation shall be the Chairperson of that Committee.

(*2*) The Chairperson of the Wards Committee shall hold office from the date of his election until the election of his successor in office unless in the meantime, he resigns his office as Chairperson.

(*3*) On the occurrence of any casual vacancy in the office of the Chairperson, the Wards Committee shall, within one month of occurrence of such a vacancy, elect one of its members who is a councillor as Chairperson:

Provided that where a vacancy has arisen on the resignation or death of the only councillor on the Committee, the Administrator may appoint any other councillor as Chairperson of the Ward Committee till election is held to fill the vacancy in due course.

41C. Resignation of Chairperson and members of Wards Committee.—(*1*) Any member of the Wards Committee, may resign his office by writing under his hand addressed to the Chairperson and delivered to the Commissioner; and the Chairperson may resign his office by writing under his hand addressed to the Mayor and delivered to the Commissioner.

(*2*) A resignation under sub-section (*1*) shall take effect from the date specified for the purpose in writing referred to in that sub-section, or if no such date is specified, from the date of its receipt by the Chairperson or the Commissioner, whichever is later.

41D. Functions of Wards Committee.—(*1*) Subject to the provisions of this Act, a Wards Committee shall exercise the powers and perform the functions as may be determined from time to time by the Corporation by resolution.

(*2*) When any question arises as to whether any matter falls within the purview of the Wards Committee or the Corporation, it shall be referred to the Corporation and its decision thereon shall be final.

41E. Special Committees.—(*1*) The Administrator may, by order published in the Official Gazette, constitute one or more Special Committees in addition to Wards Committees and the Committees referred to in section 42, as he thinks fit for the exercise of any power or discharge of any function which the Corporation, may, by resolution, delegate to them or for inquiring into, reporting or advising upon any matter which the Corporation may refer to them.

(*2*) Any such Committee may consist of one or more councillors and such other persons having special knowledge or practical experience as the Administrator may nominate representing various interests which he may think fit, such as industry, commerce, labour, literature, science, art and social services.

41F. Constitution of District Planning Committees.—(*1*) There shall be constituted in the district, a District Planning Committee to consolidate the plans prepared by the Corporation and the Panchayats in the District, and to prepare a draft development plan for the district as a whole.

(*2*) The manner in which the seats in the District Planning Committee constituted under sub-section (*1*) shall be filled, the functions which may be assigned to such Committee and the manner in which the Chairperson of such Committee shall be chosen, shall be as prescribed by the Government, subject, however, to the provisions of article 243ZD of the Constitution.

(*3*) In preparing the draft development plan of the district, the District Planning Committee shall have regard to—

(*i*) the matter of common interest between the Panchayats and Municipalities in the district including spatial planning, sharing of water and other physical and natural resources, the integrated development of infrastructure and environment conservation; and

(*ii*) the extent and type of available resources whether financial or otherwise.

(*4*) While preparing the draft development plan of the district, the District Planning Committee shall consult such institutions and organizations as the Government may, by order, specify.

(*5*) The Chairperson of District Planning Committee shall forward the draft development plan as recommended by such Committee to the Government.

(*6*) Any matter relating to a Committee constituted under section 41A or this section, not expressly provided in this Act, the same may be provided in the rules made in this behalf.".

Section 42,—

(*a*) omit sub-sections (*1*), (*2*), (*4*) and proviso to sub-section (*5*);

(*b*) in sub-section (*3*), omit "a Building and".

Section 44,—

(*a*) in clause (*q*), add at the end "except such important parks and stadia as may be specified by the Administrator by an order issued in this behalf";

(*b*) after clause (*t*), insert—

"(*tt*) the preparation of plans for economic development and social justice;".

Section 45.—In the opening portion, for "The Corporation", substitute—

"Subject to any general or special orders of the Administrator from time to time, the Corporation".

Section 47,—

(*i*) for sub-section (*1*), substitute—

"(*1*) The Administrator shall, by notification in the Official Gazette, appoint a suitable officer as the Commissioner of the Corporation.

(*1A*) The reporting authority on the work and conduct of the Commissioner shall be the Adviser to the Administrator and reviewing and accepting authority shall be the Administrator.";

(*ii*) after second proviso to sub-section (*2*), add—

"Provided also that where the Commissioner holds a lien on any service under any Government, the Administrator may at any time replace his services at the disposal of that Government.";

(*iii*) in sub-section (*3*),—

(*a*) omit clause (*a*);

(*b*) omit "by giving a notice of at least one month to the Corporation".

Section 50.—Omit "for a term not exceeding two months".

Sections 65 and 66.—Omit "*ad hoc*" wherever it occurs.

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For section 71, substitute—

"71. Appointment of certain officers.—(*1*) The Administrator shall appoint suitable officers to be respectively, the Municipal Engineer, the Municipal Health Officer, the Municipal Chief Accountant, the Municipal Secretary and the Municipal Chief Auditor and may appoint one or more Assistant Commissioners and such other officer or officers of a status equivalent to or higher than the status of any of the officers specified earlier in this sub-section as the Administrator may deem fit on such monthly salaries and allowances, if any, as may be fixed by the Administrator.

(*2*) The Municipal Chief Auditor shall not be eligible for any office under the Corporation after he has ceased to hold his office.

71A. Schedule of permanent posts and creation of temporary posts.—(*1*) The Commissioner shall, from time to time, prepare and lay before the Corporation two Schedules of posts other than those specified in section 71 setting forth the designations and grades of municipal officers and other municipal employees who should be maintained permanently in the service of the Corporation indicating therein the salaries, fees and allowances which are proposed to be paid to such officers and other employees.

(*2*) Of the two Schedules referred to in sub-section (*1*), the first Schedule shall deal with category 'A' posts and the Second Schedule with other posts.

(*3*) The Corporation may sanction the two Schedules either without modifications or with such modifications as it thinks fit and thereafter may amend them if it thinks it necessary. Such sanction or amendment shall be subject to the approval of the Administrator.

(*4*) The Commissioner may create for a period not exceeding six months any group 'B', 'C' and 'D' posts.

71B. Power to make appointments.—(*1*) Subject to the provisions of section 71, the power of appointing municipal officers and other municipal employees whether temporarily or permanent shall vest in the Commissioner.

(*2*) The claims of the members of the Scheduled Castes and backward classes of citizens shall be taken into consideration consistently with the maintenance of efficiency of administration, in the making of appointment of municipal officers and other municipal employees.

71C. Recruitment.—(*1*) Notwithstanding anything contained in section 71B, the direct recruitment to various posts may be made by the Administrator through such agencies as may be prescribed by him.".

Section 75.—In clause (*b*), for "sub-section (*7*) of section 71", substitute—

"the Schedules referred to in section 71A".

After section 84, insert—

"**84A. The Finance Commission.—**(*1*) The Finance Commission constituted under section 107A of the Delhi Municipal Corporation Act, 1957 (66 of 1957) shall also be responsible, for the purposes of this Act, to review the financial position of the Corporation and to make recommendations to the Administrator as to—

(*a*) the principles which should govern,—

(*i*) the determination of taxes, duties, tolls and fees which may be assigned to, or appropriated by, the Corporation;

(*ii*) the grant-in-aid to the Corporation from the Consolidated Fund of India;

(*b*) the measures needed to improve the financial position of the Corporation;

(*c*) any other matter referred to the Finance Commission by the Administrator in the interest of sound functioning of the Corporation.

(*2*) The Commission shall determine their procedure and shall have such powers in the performance of their functions as may be prescribed.

(*3*) The Administrator shall cause every recommendation made by the Commission under this section together with an explanatory memorandum as to the action taken thereon to be laid before each House of Parliament.".

Section 87,—

(*a*) in sub-section (*3*), in clause (*b*), in the proviso, for "five hundred rupees", substitute "ten thousand rupees";

(*b*) in sub-section (*4*), for "five thousand rupees", substitute "one lakh rupees".

Section 90,—

[1][(*a*) in sub-section (*1*),—

(*i*) clauses (*b*) and (*c*) shall be omitted;

(*ii*) in clause (*e*), the word "and" occurring at the end, shall be omitted;

(*iii*) after clause (*f*), the following clause shall be inserted, namely:—

"(*g*) a tax on entertainments and amusements."];

[2][(*b*) in sub-section (*6*),—

(*i*) after the words and figures "Punjab Motor Vehicles Taxation Act, 1924", the words "as applicable to the Union territory of Chandigarh", shall be inserted;

(*ii*) clauses (*d*) and (*e*) shall be omitted.].

Omit sections 113 to 117 (both inclusive).

After section 126, insert—

"**126A. Prior approval of the Chief Administrator.**—Notwithstanding anything contained in sections 122 to 125, every permission given by the Commissioner shall be subject to the prior approval of the Chief Administrator appointed under clause (*e*) of section 2 of the Capital of Punjab (Development and Regulation) Act, 1952, (Punjab Act XXVII of 1952) and subject to such conditions as the Chief Administrator may impose in this behalf.".

Omit section 127.

Section 152.—In the proviso to sub-section (*1*), for "one thousand rupees", substitute "ten thousand rupees".

Section 174.—Omit clause (*c*).

Section 225.—Omit sub-section (*2*).

Omit sections 226 to 275 (both inclusive).

Omit sections 286 to 312 (both inclusive).

Omit sections 343 to 346 (both inclusive).

Section 397.—For sub-section (*2*), substitute—

"(*2*) Every rule, regulation or bye-law made under this Act shall be laid as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which

1. Subs. by Act 31 of 2017, s. 2, for cl. (*a*) (w.e.f. 1-7-2017).
2. Subs. by s. 2, *ibid.,* for cl. (*b*) (w.e.f. 1-7-2017).

may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule, regulation or bye-law or both the Houses agree that the rule, bye-law or regulation should not be made, the rule, bye-law or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule, regulation or bye-law.".

Section 399.—In sub-section (*1*), omit Parts B, C and D.

For section 407, substitute—

"407. Dissolution of Corporation.—(*1*) If, in the opinion of the Government, the Corporation is not competent to perform its duties or persistently makes default in the performance of duties imposed on it by or under this Act or any other law for the time being in force or exceeds or abuses any of its powers, the Government may, by an order published, alongwith the reasons therefor, in the Official Gazette, dissolve such Corporation:

Provided that the Corporation shall be given a reasonable opportunity of being heard before its dissolution.

(*2*) When the Corporation is dissolved under sub-section (*1*),—

(*i*) all Councillors of the Corporation shall vacate their offices forthwith;

(*ii*) all powers and duties of the Corporation during its dissolution shall be exercised and performed by such persons or authority as the Government may, by notification, appoint in this behalf; and

(*iii*) all property in possession of the Corporation shall be held by the Government.

(*3*) Upon dissolution of the Corporation under sub-section (*1*), the Government shall reconstitute the Corporation as specified under sub-section (*1*) of section 4, and election to reconstitute such Corporation shall be completed before the expiration of a period of six months from the date of dissolution:

Provided that where the remainder of the period for which the dissolved Corporation would have continued, is less than six months, it shall not be necessary to hold any election under this sub-section for reconstituting the Corporation for such period.

(*4*) The Corporation reconstituted upon the dissolution of the existing Corporation before the expiration of its duration, shall continue only for the remainder of the period for which the dissolved Corporation would have continued under section 7 had it not been so dissolved.".

After section 407, insert—

"**407A. Appointment of a person to carry out the work of Corporation in certain cases.—**(*1*) All powers and duties of the Corporation may, till it remains dissolved and is reconstituted shall be exercised and performed by such persons or authority as the Government may appoint in this behalf.

(*2*) All properties vested in the Corporation shall till the Corporation remains dissolved and is reconstituted shall vest in and devolve upon the Government.".

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After section 424, insert—

"424A. Application of the Capital of Punjab (Development and Regulation) Act, 1952 and the Punjab New Capital (Periphery) Control Act, 1952.—Notwithstanding anything contained in this Act, the provisions of the Capital of Punjab (Development and Regulation) Act, 1952 (Punjab Act XXVII of 1952) and of the Punjab New Capital (Periphery) Control Act, 1952 (Punjab Act 1 of 1952) and the rules, regulations, bye-laws, notifications, orders, scheme, form or notice, made thereunder shall continue to be applicable in relation to the development and regulation of the Union territory of Chandigarh as immediately before the commencement of the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994.".

After section 428, insert—

'**428A. Special provision as to transferred functions.—**(*1*) In this section "transferred functions" means such functions of the administration which on the commencement of the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994, become the functions of the Corporation.

(*2*) On and from the commencement of the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994,—

(*a*) all stores, articles and other movable properties belonging to the administration immediately before the specified date and utilised for or in connection with the transferred functions shall pass to and vest in the Corporation;

(*b*) all appointments, notifications, orders, schemes, rules, forms, notices or bye-laws made or issued or any licence or permission granted by the administration immediately before such specified date in connection with the transferred functions shall continue in force and be deemed to have been made, issued or granted by the Corporation unless and until they are superseded by any appointment, notification, order, scheme, rule, form, notice or bye-law made or issued or any licence or permission granted by the Corporation;

(*c*) all debts, obligations and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with or for the administration immediately before such specified date for or in connection with the transferred functions shall be deemed to have been incurred, entered into, engaged to be done by, with or for, the Corporation;

(*d*) all assessments, valuations, measurements or divisions made by the administration immediately before such commencement or in connection with the transferred functions shall continue in force and be deemed to have been made by the Corporation unless and until they are superseded by any assessment, valuation, measurement or division made by the Corporation;

(*e*) all rates, taxes, fees, rents and other sums of money due to the administration in relation to the transferred functions immediately before such commencement shall be deemed to be due to the Corporation;

(*f*) all rates, fees, rents and other charges leviable in, or in relation to, the transferred functions shall, unless and until they are carried by the Corporation continue to be levied at the same rate at which they are being levied by the administration immediately before such commencement;

(*g*) all suits and transactions and other legal proceedings instituted or which might have been instituted by or against the administration immediately before such commencement for any matter in relation to the transferred functions may be continued or instituted by or against the Corporation;

(*h*) every officer and other employee serving under the administration immediately before such commencement in connection with the transferred functions shall be transferred to and

become an officer or other employee of the Corporation with such designation as the Corporation may determine and hold office by the same tenure and at the same remuneration and on the same terms and conditions of service as he would have held the same if the Corporation had not been established and shall continue to do so unless and until such tenure, remuneration and terms and conditions are duly altered by the Corporation:

Provided that the tenure, remuneration and terms and conditions of service of any such officer or other employee shall not be altered to the disadvantage without the previous sanction of the Administrator:

Provided further that the Corporation may employ any such officer or employee in the discharge of such functions as it may think proper and every such officer or other employee shall discharge those functions accordingly.

(*3*) As soon as may be after the commencement of the Punjab Municipal Corporation Law (Extension to Chandigarh) Act, 1994, the Administrator shall decide,—

(*a*) which stores, articles and other movable properties referred to in clause (*a*) of sub-section (*2*) have been utilised by the administration for or in connection with the transferred functions;

(*b*) which debts, obligations, liabilities, contracts, matters and things referred to in clause (*c*) of the said sub-section have been incurred, entered into, or engaged to be done by, with or for the administration or in connection with the transferred functions;

(*c*) which officers and other employees referred to in clause (*h*) of that sub-section served under the administration in connection with the transferred functions.'.

Omit section 431.

Omit Schedule I.

Third Schedule.—Omit "sections 258, 259 (*1*), 260 (*1*), 263 (*4*), 265, 266 (*1*) and (*2*), 268, 269, 270, 271, 272 (*1*) and (*2*), 273 (*1*), (*2*) and (*3*) and section 274 (*1*), and the entries there against in the second, third and fourth columns".

AMENDMENT OF THE CAPITAL OF PUNJAB (DEVELOPMENT AND REGULATION) ACT, 1952

(PUNJAB ACT No. XXVII OF 1952)

For section 7A, substitute—

"7A. Power to apply certain provisions of Punjab Act 42 of 1976 to Chandigarh.—(*1*) The Chief Administrator may, from time to time by notification in the Official Gazette, and with the previous approval of the Administrator of the Union territory of Chandigarh, apply to Chandigarh or any part thereof with such adaptations and modifications not affecting the substance as may be specified in the notification, all or any of the provisions of the Punjab Municipal Corporation Act, 1976 (Punjab Act 42 of 1976), in so far as such provisions are applicable to Chandigarh.

(*2*) While exercising the powers or performing the functions under the provisions of the Punjab Municipal Corporation Act, 1976 (Punjab Act 42 of 1976) applied to Chandigarh by a notification under sub-section (*1*), the Chief Administrator shall be subject to the control of the Administrator and not to that of the Commissioner or Deputy Commissioner.

(*3*) Notwithstanding the substitution of section 7A of the Capital of Punjab (Development and Regulation) Act, 1952 (hereinafter referred to as substituted section) the substituted section shall not—

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(*a*) affect the previous operation of the substituted section or anything duly done or suffered thereunder; or

(*b*) affect any right, privilege, obligation or liability acquired accured or incurred under the substituted section; or

(*c*) affect any penalty, forfeiture or punishment incurred in respect of any offence committed against substituted section; affect any investigation, legal proceedings or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid and any such investigation, legal proceedings or remedy may be instituted, continued or enforced, and any such privilege, forfeiture or punishment may be imposed as if this substitution has not been made."

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STATEMENT OF OBJECTS AND REASONS

The Bill seeks to provide the Union territory of Chandigarh with its first Municipal Corporation as required under Part IXA of the Constitution. It also seeks to do so by extending the Punjab Municipal Corporation Act, 1976 to Union territory of Chandigarh and by making exception and modification under article 243ZB. Furthermore, it also seeks to repeal all the provisions of Punjab Municipal Act, 1911, which are currently applicable to the Union territory of Chandigarh. The Bill purports to replace the Ordinance by which the above three objectives were achieved.

2. The Punjab Legislative Assembly enacted the Punjab Municipal Corporation Act, 1976 for establishment of Municipal Corporation in large urban agglomerations in the State of Punjab. This Act repealed, amongst others, the Punjab Municipal Act, 1911 in its application to the State of Punjab. In order to bring the provisions of 1976 Act, in conformity with the provisions of Part IXA of the Constitution relating to Municipalities, the Punjab Legislative Assembly amended 1976 Act through the Punjab Municipal Corporation (Amendment) Act, 1994.

3. In order to fulfil the constitutional obligation it was necessary to provide for a municipal corporation for Chandigarh before 31.5.1994 and the House of the People was not in session, it became necessary to extend the Punjab Municipal Corporation Act, 1976 to Chandigarh, Hence the Punjab Municipal Corporation Law (Extension to Chandigarh) Ordinance, 1994 was promulgated on 24.5.1994 to fulfil the constitutional obligation. The Ordinance mainly extends the Punjab Municipal Corporation Act, 1976 with some exceptions and modifications to suit the requirements of Chandigarh. It provides for the establishment and composition of Municipal Corporation of Chandigarh.

4. The other important features of the Ordinance are the following:—

(*1*) (*a*) The Corporation will be a combination of elected representatives and nominated members. 10 members will be directly elected, 9 members will be nominated (with voting right) by the Administrator. The nominated members will be from amongst the persons who are eminent or distinguished in public affairs or those who have special knowledge or practical experience in respect of Municipal administration. The Chair person will be elected by the full House.

(*b*) The Chairperson of the Corporation will be known as "Mayor".

(*2*) The provisions of its qualification relating to the "Office of Profit" for purposes of election to the House of the People would not be applicable to the members to be nominated by the Administrator.

(*3*) The following items of work are proposed to be retained by the Chandigarh Administration:—

(*i*) Urban planning, including town planning.

(*ii*) Regulations of land use and regulation of construction of buildings.

(*iii*) Such important parks and stadia as may be specified by the Administrator.

(*4*) All the remaining functions included in the Twelfth Schedule of the Constitution and in the Punjab Municipal Corporation Act, 1976 as amended up-to-date, are proposed to be made the responsibility of the Municipal Corporation.

(*5*) No person shall be a member both of the Parliament and Corporation. If a person is so chosen, he will have to resign one seat failing which the seat in Parliament shall become vacant.

(*6*) The Capital of Punjab (Development and Regulation) Act, 1952 and the Punjab New Capital (Periphery) Control Act, 1952, and the rules and bye-laws made thereunder shall continue to be applicable to the development and regulation of Chandigarh as hitherto.

(*7*) A provision has been made for the appointment of a person to be called special officer to exercise powers and discharge the function of the Corporation until the date on which first meeting of the Corporation is held.

(*8*) Repeal of the Punjab Municipal Act, 1911 as applicable to the Union territory of Chandigarh.

5. The Bill seeks to replace the said Ordinance.

NEW DELHI; S.B. CHAVAN

The 8*th June*, 1994.

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