



Edition 24  
Date: 10<sup>th</sup> April 2020

**Dear All,**

### **Greetings from Praja Foundation!**

Praja Team visited Gangtok, Sikkim during the last week of January 2020, to study the urban governance structures and reforms implemented in the state. Field interviews with elected representatives such as the Mayor, councillors of the Gangtok Municipal Corporation (GMC), administrative officials at GMC, Public Health & Engineering Department (PHED), Urban Development & Housing Department (UDHD) etc., and CSO representatives were conducted.

### **Gangtok Municipal Corporation (GMC)**

In 1995, the State Government introduced the Sikkim Municipalities Act, 1995. Even though there were plans to form Urban Local Bodies (ULBs) in 2004, none were created in the state. The Sikkim Municipalities Act (SMA) was enacted only in 2007. The first general municipal elections in Sikkim took place in 2010, and the second in 2016. The Gangtok Municipal Corporation was formed through enactment of the said Act.

### **Mayoral System**

The Mayor is elected through indirect election by councillors of the corporation. The term of the mayor is co-terminus with the term of the corporation. The Mayor is the chairperson of the executive committee. The drawbacks of the Mayor's post are that there is no power to prepare the Annual Confidential Report of the commissioner. The mayor's post also does not exercise any exclusive administrative control.



### **Committees in GMC**

There is an executive committee in place which comprises of the Mayor, the Dy. Mayor and five Executive Councillors. The Executive committee has authority to exercise executive and financial powers of the municipal corporation. The executive committee also has authority to look after execution of work and take decisions related to contracts. The Committee has a sanctioning power of Rs. 5 Lakh to Rs. 5 Crore.

Furthermore, there are five subject committees that have been formed in GMC but are not functional. Councillors believe there is no point in having subject committees since GMC does not have control over the respective subjects.

The Act does not mention ward committees and none were constituted in the city. But, Area Sabhas have been constituted as per Section 26 of Sikkim Municipalities Act, 2007. Councillors reported that Area Sabha meetings happen with limited people from ward. Mainly 10-20 selected people from the ward attend the meetings. Area sabha meetings are not conducted on a regular basis. They are conducted as per requirement once in three to six months.

### **Municipal Finance**

Property tax is not levied in Gangtok by GMC. Only trade licence fee, rents from shopping complexes, garbage collection charges, parking space charges, entertainment tax and advertisement fees are the sources of revenue for the GMC. Stakeholders reported that the revenue income is very poor given that there is no collection of property tax taking place. Some of the other main issues include GMC's dependency on State Governments for both revision of tax rates and to bring in new sources of revenue. Strong financial decentralisation measures are required to enable GMC to attain independence over boosting its own source of revenue.

### **Human Resources**

Most of the employees in GMC are on deputations. Sikkim lacks the system of municipal cadre. The existing employees lack the technical skills and the know-how to execute projects efficiently. To add to this issue, GMC does not have the authority to recruit. All recruitments have to take place through the State Government.

### **Gangtok Smart City Limited**

Sikkim state government has created a Special Purpose Vehicle (SPV) known as Gangtok Smart City Development Limited (GSCDL) for execution of smart city projects in Gangtok. The Smart City Board initially included both the Mayor and Commissioner. But, since Mayor and councilors are not part of the SPV board, they are not able to put forward ward issues under smart city mission projects.

Important Links –

Imphal Municipal Corporation website (<http://imc.mn.gov.in/>)

Urban Development & Poverty Alleviation Department (<http://udpamizoram.nic.in/>)

Mizoram Municipalities Act, 2007

([https://amcmizoram.com/uploads/files/THE%20MIZORAM%20MUNICIPALITIES%20ACT,%202007\\_11062018034305.pdf](https://amcmizoram.com/uploads/files/THE%20MIZORAM%20MUNICIPALITIES%20ACT,%202007_11062018034305.pdf))

Kind Regards,



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