

# **Chapter-I**

## **Introduction**



### 1.1 74<sup>th</sup> Constitutional Amendment

The Constitution (Seventy-fourth Amendment) Act, 1992 (74<sup>th</sup> CAA) which came into effect on 1 June 1993, introduced Part IX-A to the Constitution pertaining to the Municipalities. The Act provided a constitutional status to Urban Local Bodies (ULBs). Article 243W of the CAA authorised the State Legislatures to enact laws to endow local bodies with powers and authority as may be necessary to enable them to function as institutions of self-government and make provisions for devolution of powers and responsibilities. The Twelfth Schedule of the Constitution enumerates 18 specific functions to be devolved to ULBs as listed in **Table 4.1**.

### 1.2 Trend of urbanisation in Himachal Pradesh

As per 2011 Census, out of the total population of 68.65 lakhs, about 6.89 lakhs live in urban areas accounting for 10.03 *per cent* of the total population. The proportion of people living in the urban areas of Himachal Pradesh had increased from 9.80 *per cent* in 2001 to 10.03 *per cent* in 2011. The growth rate of urban population in the decades 2001-2011 & 2011-2020<sup>1</sup> was 15.61 *per cent* and 9.92 *per cent* respectively. Urban Himachal Pradesh faces multiple challenges, ranging from public health issues, poverty alleviation, waste management, depletion of natural resources etc. In this scenario, ULBs have an important role to play, as most of these issues are handled best at the local level.

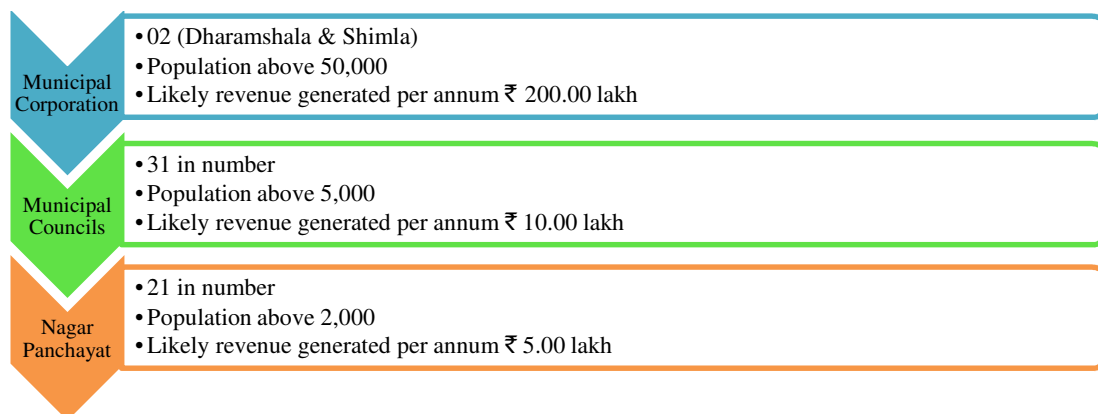
### 1.3 Profile of Urban Local Bodies in Himachal Pradesh

ULBs are categorized on the basis of population, geographical features, economic status, local revenue generation and level of employment within their jurisdiction. There are 54 ULBs as shown in Figure 1.

---

<sup>1</sup> Projected population in 2020 as per Directorate of Economics and Statistics, Shimla HP.

**Figure-1: Criteria for formation of Municipalities in Himachal Pradesh**



Source: Annual Administration Report 2018-19 of UDD, Section 03 of respective Acts

The Municipal Corporations are governed by the Himachal Pradesh Municipal Corporations Act, 1994 (HPMC Act) and other ULBs are governed by the Himachal Pradesh Municipal Act, 1994 (HPM Act). Each Corporation/Municipal area has been divided into wards, which are determined and notified by the State Government for the purpose of election of Councillors. All ULBs have an elected body comprising Councillors.

#### **1.4 Organisational Structure of Urban Governance in Himachal Pradesh**

The Urban Development Department (UDD), headed by the Secretary to the Government, is the nodal department for the governance of all ULBs. The Directorate of Urban Development Department (UDD) established in the year 1985-86, functions as an interface between the State Government and ULBs. In accordance with the powers conferred under the HPMC/HPM Acts, the UDD monitors these ULBs through direct reporting of the Commissioners /Executive Officers / Secretaries to the Director. The organisation structure with respect to functioning of ULBs in the State is indicated at **Appendix 1.1**.

In addition to ULBs, the UDD has key parastatal agencies that deliver or facilitate urban infrastructure and services such as Shimla Jal Prabandhan Nigam Ltd. (SJPNL) and Smart City (Shimla & Dharamshala) under its control. The other parastatals such as Himachal Pradesh Housing and Urban Development Authority (HIMUDA), and Himachal Pradesh State Industrial Development Corporation (HPSIDC) under the departments of Housing and Industries respectively also deliver urban services. The details of parastatals and their functions are in **Appendix 1.2**.