

Urban Local Bodies – Traps

A comprehensive guide distinguishing common misconceptions from constitutional realities about India's urban governance system. This document explores the truth behind 100 widespread myths about Urban Local Bodies, covering everything from their constitutional status to legal oversight.



Basics & Constitutional Status

Trap 1

✗ **ULBs** are only **statutory bodies**.

✓ After the **74th Amendment** (1992) **ULBs** got **constitutional status** (Part IXA): **municipalities** are a **constitutional tier**.

Trap 2

✗ The **74th Amendment** created **ULBs** nationwide in a uniform form.

✓ It required states to constitute **municipalities**, but left details and structures to **state law** — variability remains.

Trap 3

✗ **ULBs** are optional in states.

✓ States are mandated to set up **municipalities** for urban areas (subject to **state laws** and definitions).

Trap 4

✗ **Constitutional status** removed **state control** completely.

✓ States still **frame municipal laws**, determine **jurisdiction**, **devolve powers**, and control **implementation** within the **constitutional framework**.

Trap 5

✗ **ULBs** must perform only what is in the **Twelfth Schedule**.

✓ **Twelfth Schedule** lists 18 functions as core **municipal functions**, but states decide actual **devolution**.

Trap 6

✗ **ULBs** automatically get funds from the Centre after the 74th.

✓ Funding is via state allocations, own resources, and **central/state schemes**; **constitutional status** did not guarantee automatic **revenue**.

Trap 7

✗ Every **urban local body** is identical (same name, powers, size).

✓ India uses varied **municipal forms (Municipal Corporations, Municipal Councils, Nagar Panchayats)**; **state laws** set the categories.

Trap 8

✗ **ULBs** are governed directly by the Constitution, ignoring **municipal acts**.

✓ The Constitution provides the **framework**; specific powers and functioning are specified in **state municipal acts**.

Trap 9

✗ The **74th Amendment** made **municipal elections** a **national affair**.

✓ **Municipal elections** are state matters, conducted by **State Election Commissions** (constitutional safeguard).

Trap 10

✗ **ULBs** can only do **local sanitation** and nothing else.

✓ Their remit covers a wide range of **urban services** (see **Twelfth Schedule**).

Structure & Classification

Trap 11

✗ **Municipal Corporations** exist only in metros.
 ✓ **Corporations** are for large **urban areas; states** may create them wherever they deem fit.

Trap 12

✗ **Nagar Panchayats** are rural bodies.
 ✓ **Nagar Panchayats** are for **areas in transition** from rural to urban.

Trap 13

✗ Every **municipal chairperson/mayor** is directly elected by people.
 ✓ **Mayors/chairpersons** may be elected directly or indirectly depending on **state law**.

Trap 14

✗ The **Mayor** is always the executive head.
 ✓ Many **states** follow dual leadership: **Mayor** (political head) + **Municipal Commissioner** (executive head appointed by **state**).

Trap 15

✗ All **municipal commissioners** are elected.
 ✓ **Municipal Commissioners** are appointed bureaucrats/technical officers (usually by the **state government**).

Trap 16

✗ **Municipal wards** are identical in area and population everywhere.
 ✓ **Ward delimitation** is **state-specific** and should aim for population parity, but varies in practice.

Trap 17

✗ Every **municipality** must have an administrator if elections are delayed.
 ✓ **States** may appoint administrators during dissolution/ delay, but courts insist on timely **elections**.

Trap 18

✗ **Municipal corporations** cannot create subsidiaries or **municipal bodies**.
 ✓ **Corporations** can form companies/SPVs for service delivery (subject to **state law** and **municipal rules**).

Trap 19

✗ **Municipalities** are equal in power to **Municipal Corporations**.
 ✓ **Corporations** generally have broader powers/resources; hierarchy differs by **state**.

Trap 20

✗ The **Constitution** fixes the number of members for each **ULB**.
 ✓ **State laws** determine council size; **Constitution** only requires **representation provisions** (**reservation** etc.).

Twelfth Schedule & Functions



Trap 21

✗ The **Twelfth Schedule** is exhaustive and all-binding for **ULBs**.

✓ It lists 18 functions as a guide; **states decide** how many/functions will be practically **devolved**.



Trap 22

✗ **ULBs** can never be given functions outside the **Twelfth Schedule**.

✓ **States can delegate additional functions** to **ULBs** by **state law**.



Trap 23

✗ **ULBs** always control **urban planning** fully.

✓ **Planning powers** depend on **state law** and **devolution**; many **state governments** keep **planning control**.



Trap 24

✗ **ULBs** automatically manage **land-use regulation**.

✓ **Land-use** and building regulation often remain under **state/urban planning authorities** or shared.



Trap 25

✗ The **Twelfth Schedule** includes only sanitation and water supply.

✓ It includes **urban planning, land use, roads, water supply, public health & sanitation, solid waste, fire services, urban forestry, protection of environment**, safeguarding weaker sections, **slum improvement, urban poverty alleviation, provision of amenities** (parks, gardens), cultural/educational aspects, **burial/cremation grounds**, cattle pounds, **vital statistics, public amenities** (street lighting, parking, bus stops), **regulation of markets, slaughterhouses and tanneries**.



Trap 26

✗ **ULBs** must implement all 18 functions at once.

✓ Implementation follows **progressive devolution**; many **ULBs** perform a subset.



Trap 27

✗ **Urban poverty alleviation** is outside **municipal scope**.

✓ It is a core **municipal concern** under the **Twelfth Schedule**.



Trap 28

✗ **ULBs** cannot be assigned **environmental protection duties**.

✓ **Urban forestry & environment protection** is explicitly a **municipal function**.



Trap 29

✗ **ULBs** must run **fire services** only if **state orders**.

✓ **Fire services** are a **Twelfth Schedule function**, but **states decide** operational control.



Trap 30

✗ **Burial & cremation ground regulation** is a **state subject**.

✓ It is a **municipal function (local public amenity)**.

Finance & Fiscal Powers

Trap 31

- ✗ **ULBs** can raise any taxes they want after **74th**.
- ✓ Taxation powers depend on **state municipal acts** and assigned revenue streams.

Trap 32

- ✗ Only the Centre funds **ULBs** via **Finance Commission**.
- ✓ **Central Finance Commission** recommends grants to states; **State Finance Commissions (SFCs)** (**constitutional requirement**) recommend **devolution** to **ULBs**.

Trap 33

- ✗ **Property tax** is a **Union subject**.
- ✓ **Property tax** is a core **ULB** source, assigned by **state law** (local tax).

Trap 34

- ✗ **ULBs** are fully financially independent.
- ✓ Most **ULBs** depend on **state grants** and **central schemes**; own revenue is often inadequate.

Trap 35

- ✗ **State Finance Commissions** are optional for urban bodies.
- ✓ States are required to constitutionally set up **SFCs** to review finances and recommend **devolution**.

Trap 36

- ✗ **ULBs** cannot borrow funds.
- ✓ **ULBs** can borrow and raise loans (subject to **state law** and limits) for **capital projects**.

Trap 37

- ✗ **Central urban missions** (e.g., Smart Cities, AMRUT, JnNURM) replaced **municipal finances**.
- ✓ These schemes supplement **ULB** finances but do not substitute for **devolution** and own resources.

Trap 38

- ✗ **ULB** revenues are un-audited and secret.
- ✓ **ULB** accounts are subject to **state audit mechanisms**; some are subject to **CAG** or state audit depending on rules.

Trap 39

- ✗ **Municipal bonds** are illegal for **ULBs**.
- ✓ **ULBs** can access **municipal bonds** and **private capital** (subject to regulatory and state approvals).

Trap 40

- ✗ **Development charges** collected by **ULBs** belong to state.
- ✓ **Development charges** are generally **municipal revenues** — but **state rules** may regulate usage.

Grants, Schemes & Central Role

Trap 41

✗ **Centre** directly administers **municipal functions** through **schemes**.

✓ **Centrally sponsored schemes** flow through **states**, and **states** often control **implementation**.

Trap 43

✗ **Smart City/AMRUT** etc. make **ULBs** redundant.

✓ These **missions** require strong **ULB participation** and often create **SPVs** with **municipal representation**.

Trap 45

✗ **Grants** from **Centre** to **ULBs** bypass **state oversight**.

✓ **Grants** typically flow through **state channels**; direct **grants** are limited and need **state consent**.

Trap 47

✗ **ULBs** can spend **scheme funds** on anything.

✓ **Funds** must be used for **mandated purposes** and are subject to **audit** and **conditionality**.

Trap 49

✗ **ULB participation** in **central planning** is token.

✓ Good practice mandates **city-level plans (CDPs)** and **citizen participatory planning** — legally encouraged in many **schemes**.

Trap 42

✗ **Central schemes** remove the need for **local planning**.

✓ **Schemes** require **local planning** and convergence with **ULBs** for success; top-down approach often fails.

Trap 44

✗ **CSR funds** automatically go to **ULBs**.

✓ **CSR spending** remains corporate-driven and often dispersed; **ULB coordination** is necessary for effectiveness.

Trap 46

✗ All **central grants** are **unconditional**.

✓ Many are tied to **conditions, performance indicators** and **co-financing**.

Trap 48

✗ **Central schemes** solve **urban poverty** without **local governance changes**.

✓ Without **devolution** of **functionaries** and **finance** to **ULBs, scheme outcomes** are limited.

Trap 50

✗ **Central urban laws** override **municipal acts**.

✓ **Municipal acts** and **state law** prevail in **local governance**; **Central policy** can guide but not directly override **state municipal statutes**.

Elections & State Election Commission

Trap 51

✗ Municipal elections are conducted by **Election Commission of India**.

✓ State Election Commissions conduct **municipal elections (constitutional provision)**.

Trap 52

✗ SECs are controlled entirely by **state governments**.

✓ SECs enjoy **constitutional protection** for **independence**, though appointment/terms may vary under **state law**.

Trap 53

✗ There is uniform electoral procedure across all **ULBs**.

✓ Electoral rules vary by **state** (symbol allocation, **reservation** rotation, direct/indirect **mayoral elections**).

Trap 54

✗ SEC can be **removed arbitrarily**.

✓ SEC members have **security of tenure**; removal follows **constitutional procedures** (like other constitutional functionaries).

Trap 55

✗ Reservation of wards cannot be **challenged**.

✓ Reservation orders can be **challenged** in **courts** on procedural or **constitutional grounds**.

Trap 56

✗ Delays in municipal elections are **constitutionally permissible**.

✓ Supreme Court has insisted on **timely local body elections**; unjustified delays attract **judicial intervention**.

Trap 57

✗ Elections to municipal corporations are always on **party basis**.

✓ Some states allow **non-party elections** for certain **municipal bodies**; **party politics** varies by **state**.

Trap 58

✗ No-representation seats remain empty until next election.

✓ State laws provide for **bye-elections** or filling **vacancies** by other methods within stipulated time.

Trap 59

✗ Election rolls for **ULBs** are independent of **assembly rolls**.

✓ Many states use **assembly/ward-wise electoral rolls** or separate rolls, approaches differ.

Trap 60

✗ SEC decisions on **disqualification** are final and **unreviewable**.

✓ SEC decisions are subject to **judicial review** if mala fide or illegal.

Reservation & Representation



Trap 61

✗ **74th Amendment** did not mandate **reservation** for **women**.

✓ It mandates **reservation** of not less than one-third seats for **women** (may be more by state law), including in chairpersonships.



Trap 62

✗ **Reservation** for **SC/ST** is optional in **municipalities**.

✓ **Reservation** for **SCs/STs** is mandatory in proportion to their population in the **urban area**.



Trap 63

✗ **OBC reservation** in **ULBs** is mandatory by the **74th**.

✓ **OBC reservation** is not mandated by the **74th** — states may decide per law.



Trap 64

✗ **Rotation of reserved wards** is not required.

✓ **Rotation of reserved seats** (to ensure fairness) is recommended/practised in many states.



Trap 65

✗ **Women's reservation** is token and limited to councillors only.

✓ **Reservation** extends to **leadership posts** (**mayor/chairperson**) depending on state law; many states provide **reservation** for **mayoral posts**.



Trap 66

✗ **Reserved seats** can be left unfilled if no candidate emerges.

✓ States generally provide mechanisms to coerce/resolve vacancies and fill **reserved seats** to ensure **representation**.



Trap 67

✗ **Municipal reservation rules** are the same as **Panchayat reservation rules**.

✓ The principles are similar but detailed rules/implementation differ for **ULBs** per state.



Trap 68

✗ **Reservation** rules prevent elected governance.

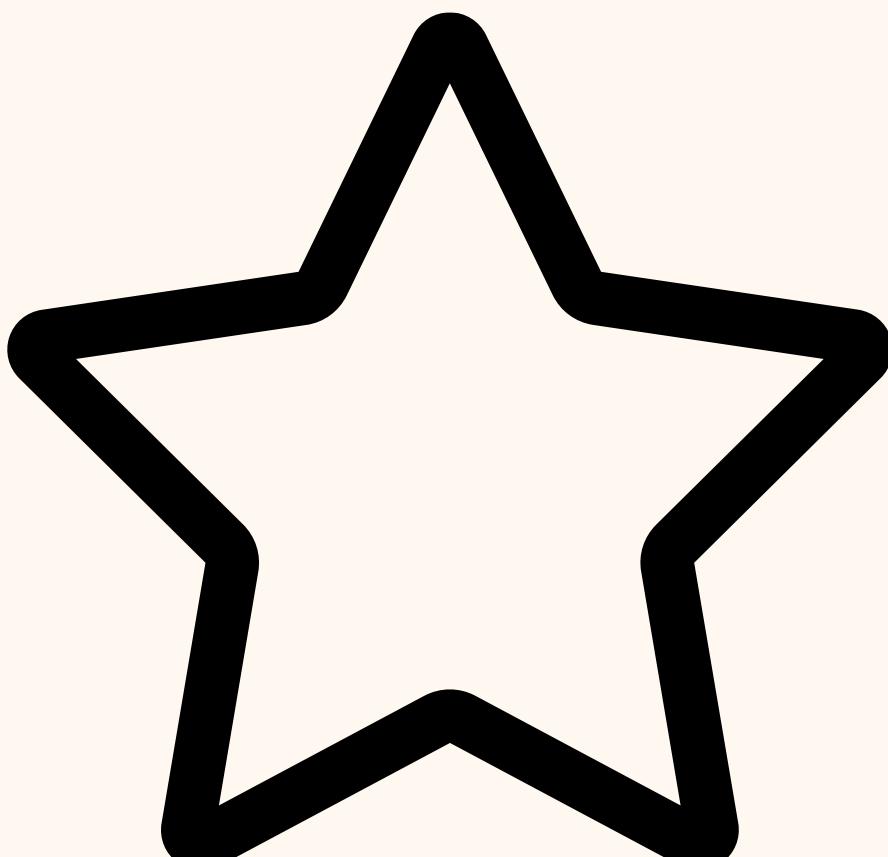
✓ **Reservation** is a **constitutional tool** to ensure **inclusive governance** and strengthens **local democracy**.



Trap 70

✗ **Reservation decisions for ULBs** are made by the Centre.

✓ State governments set **reservation specifics** within **constitutional mandates**.

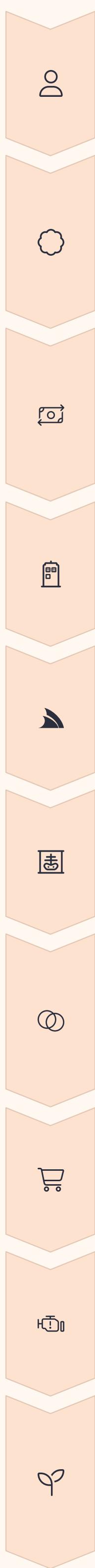


Trap 69

✗ All **ULBs** must **reserve 50% seats for women**.

✓ Minimum is one-third; some states voluntarily increase it to 50%.

Administration, Personnel & Service Delivery



Trap 71

- ✗ **ULBs** recruit all staff and control personnel policy fully.
- ✓ Many municipal functionaries/staff are **state deputationists** and controlled by **state service rules**.

Trap 72

- ✗ **Municipal Commissioners** are always from **IAS/State PCS**.
- ✓ Commissioners often are senior bureaucrats but may be from **state municipal services** or appointed professionals.

Trap 73

- ✗ **Municipal staff** cannot be transferred by the **state**.
- ✓ **State governments** may transfer **municipal employees** under **state statutes; devolution** of staff remains contested.

Trap 74

- ✗ **ULBs** can implement pension/**HR policy** independently.
- ✓ **HR policies** largely follow **state norms** and **public service rules**; limited autonomy for **ULBs**.

Trap 75

- ✗ **ULB service delivery** is always superior to **state departments**.
- ✓ Performance varies widely; **capacity, finance, and decentralisation** determine outcomes.

Trap 76

- ✗ **Municipal health**, sanitation and education services have complete administrative independence.
- ✓ Many of these services are functionally shared or overseen by **state departments**.

Trap 77

- ✗ **ULBs** cannot enter into **PPPs** for service delivery.
- ✓ **ULBs** commonly use **Public-Private Partnerships (PPPs)** and **SPVs** to deliver services (subject to **procurement/ state approval**).

Trap 78

- ✗ **Municipal procurement rules** are identical to **central procurement**.
- ✓ **Procurement rules** vary by **state and ULB**, though many follow standard frameworks.

Trap 79

- ✗ **ULBs** have robust **professional planning cadres** everywhere.
- ✓ **Skilled staff shortage (planners, engineers)** is a common challenge in many **ULBs**.

Trap 80

- ✗ **ULBs** can avoid **environmental impact assessments (EIA)** for projects.
- ✓ **EIA**s/clearances are required as per law — **ULBs** must coordinate with **state/central environment authorities**.

Accountability, Transparency & Audits

Trap 81

- ✗ The 74th Amendment created a new, national municipal ombudsman.
- ✓ There is no national ombudsman; accountability is via state law, courts, audit bodies, CAG (where applicable), and public grievance redressal.

Trap 82

- ✗ ULB audit is optional.
- ✓ ULB accounts are subject to audit (state audit/CAG as applicable) and must be placed before councils as required.

Trap 83

- ✗ Citizens have no right to access municipal records.
- ✓ RTI and transparency laws apply to ULBs; citizens can demand information.

Trap 84

- ✗ There is no statutory provision for social audit of ULB programmes.
- ✓ Many schemes and state laws mandate citizen participation, public hearings and social audits.

Trap 85

- ✗ Comptroller & Auditor General (CAG) audits ULBs automatically nationwide.
- ✓ CAG's involvement depends on state legislation and Centre's rules; not automatic for all ULBs.

Trap 86

- ✗ Municipal budgets cannot be challenged in court.
- ✓ Budgets and allocations can be reviewed in courts for legality and procedural lapses.

Trap 87

- ✗ Financial transparency is purely optional for ULBs.
- ✓ Many states require publication of budgets, annual reports and audit findings for transparency.

Trap 88

- ✗ Performance audits do not apply to ULBs.
- ✓ Performance & value-for-money audits are increasingly used (by state audit bodies or external agencies).

Trap 89

- ✗ Citizen charters are symbolic only.
- ✓ Citizen charters, grievance redressal and participatory budgeting strengthen accountability where implemented.

Trap 90

- ✗ No penalty exists for misuse of municipal funds.
- ✓ Misuse invites administrative action, audit findings, prosecution and judicial remedies.

Legal, Case Law & Judicial Oversight

Trap 91

- ✗ Municipal acts cannot be challenged in the Supreme Court.
- ✓ Municipal laws and actions can be challenged in High Courts and Supreme Court on constitutional grounds.

Trap 92

- ✗ Courts seldom interfere in municipal functioning.
- ✓ Courts often intervene to enforce timely elections, protect civic rights and check arbitrary state action.

Trap 93

- ✗ Failure to hold municipal elections has no constitutional consequence.
- ✓ Supreme Court judgments have enforced elections and struck down prolonged administrator rule.

Trap 94

- ✗ Municipal corporations are immune to PILs.
- ✓ Public Interest Litigations frequently target municipal failures (sanitation, environment, slums, public health).

Trap 95

- ✗ Municipal byelaws do not require legal conformity.
- ✓ Byelaws must conform to state law and constitutional rights; ultra vires byelaws are struck down.

Trap 96

- ✗ Municipal devolution disputes are political only.
- ✓ Devolution disputes often end up in judicial adjudication (doctrines of federalism & basic structure invoked).

Trap 97

- ✗ State government can permanently abolish a municipality overnight.
- ✓ Abolition/merger follows state law processes and is subject to judicial review if arbitrary.

Trap 98

- ✗ Municipal boundaries once fixed cannot be changed.
- ✓ Boundaries can be changed by state law and notifications (subject to administrative/legal process).

Trap 99

- ✗ Municipalities cannot be sued for acts done in good faith.
- ✓ Municipalities can be sued; the doctrine of sovereign immunity is limited.

Trap 100

- ✗ Urban governance is only about service delivery.
- ✓ It encompasses citizen rights, fiscal federalism, planning, environmental justice, inclusiveness and participatory democracy.

This comprehensive examination of 100 common misconceptions about Urban Local Bodies reveals the complex reality of India's urban governance system. Understanding these distinctions between traps and reality is essential for effective municipal administration, policy-making, and citizen engagement in urban governance.