Introduction

Economic growth along with increasing urbanization is matters of concern in India. In most of states, urban area is increasing rapidly since last two decades i.e. post reform period. India is going under transition from rural to semi urban society. More than 31% population is now living in urban area. Urban local bodies work as local level that is at the last tier government. The union and state governments work at national and state level respectively. People are very closely associated with local governments than the state as well as union. Therefore, they expect much more civic amenities by urban local bodies. The 74th constitutional amendment act, schedule 12 has a clearly lists out the number of functional responsibilities for urban local bodies.

But shortage of resource is a major problem faced by the urban local bodies in India. On the one hand the local bodies have few buoyant taxes at their disposal and on the other hand, even these taxes undergo certain unscientific method of computation as in case of property tax or suffer from inefficient collection because of unnecessary political intervention. The financial situation of the ULB’s further deteriorated except Gujarat and Maharashtra with the abolition of octroi and without providing an appropriate alternative for the same (Bagchi 1999). Given the domestic macro-economic situation that Indian economy has faced with the scarcity of resources at the all level of government.

The heterogeneity among the ULB’s in Maharashtra begins from the variety of acts. Unlike the other states, where all the ULB’s are governed by an uniform act but ULB’s in Maharashtra are net governed by the four acts like Bombay Municipal Corporation Act, 1888, City of Nagpur Corporation Act 1948, Bombay Provincial Municipal Corporation Act 1949, and Maharashtra Municipal Councils, Nagpur Panchayats and Industrial Township Act 1965. As far as financial portion of Municipal council in Maharashtra is concerned, it is considerable in all ULB’s in Maharashtra. It is needed to be studied for identifying or recognizing modern sources of revenue and expenditure for providing better civic amenities in the state.