

PARLIAMENT OFFICE  
Public Buildings,  
Georgetown,  
Guyana.

9<sup>th</sup> June, 2009.

The following Bill which will be introduced in the National Assembly is published for general information.

*S.E. Isaacs,*  
Clerk of the National Assembly.



**GUYANA**

**BILL No. 25 of 2009**

**FISCAL TRANSFERS BILL 2009**

**ARRANGEMENT OF SECTIONS**

**SECTION**

1. Short title and commencement
2. Interpretation.
3. Garnering of resources.
4. Conditions for transfers.
5. Grants.
6. Formula for fiscal transfers.
7. Regulations.

**SCHEDULE**

**A BILL**  
**Intituled**

AN ACT to provide for the formulation and implementation of objective criteria for the purpose of the allocation of resources to and the garnering of resources by the local democratic organs and for matters connected therewith.

A.D. 2009

Enacted by the Parliament of Guyana:-

Short title.  
and  
commencement.

1. This Act, may be cited as the Fiscal Transfer Act 2009 and shall come into operation on the date the Minister may by order appoint.

Interpretion.

2. In this Act -

“garnering” means measures designed to collect and boost revenue and also to expand the revenue base of local democratic organs;

“local democratic organ” means a regional democratic council, a municipal council, a neighbourhood democratic council, a district council, a village council, a community council, a country authority, and any other similar organ;

“set of conditions” means the criteria used to determine the sum of money appropriated by Parliament annually to local democratic organs which are allocated equally among those local democratic organs with the remaining sum allocated to such local democratic organs in accordance to variables such as population size, geographic area or stipulated performance indicators which may be change by the Minister from time to time by regulations;

Garnering of  
resources.

3. (1) Each local democratic organ may, in addition to the authorized imposition of rates on immovable property within its boundaries, increase its revenues by garnering of resources by measures, including those mentioned in subsection (2) -

(2) A local democratic organ ~~organ~~ may -

- (i) with the prior written approval of the Minister, such approval not to be unreasonably withheld and such approval or disapproval to be given within thirty-five days, approach donor agencies for financial and other resources in the form of grants which may be used to fund capital projects or employment costs;

- (ii) negotiate with central government for specific revenue sharing contracts;
- (iii) establish vehicular meters to charge for parking;
- (iv) establish and change for vehicle parking facilities;
- (v) embark on revenue earning economic projects; or
- (vi) undertake any other measure agreed to by the Minister.

(3) The additional revenues shall, except where the Minister directs otherwise, be paid into the general revenue account of the local democratic organ, from which account disbursements may be made in keeping with financial regulations governing such funds.

Conditions for transfers.

4. In order to be eligible for fiscal transfers, local democratic organs shall satisfy the following conditions -

- (a) the budget estimates of a local democratic organ for the following year shall be submitted to be given council by November 15 of the current year;
- (b) the budget as submitted, shall include expenditure and revenue data relating to the last year for which actual expenditure and revenue data are available, along with the previous year's budget estimates; in the form specified in the Schedule;
- (c) The budget as submitted, shall include notes indicating the basis for all revenue forecasts, including with specific regards to property rates, the percentage of billable rates collected or are to be collected; with the notes also providing explanations for any differences inspected and actual collection of property taxes for all actual, budget and supplementary information required to be contained in that budget;
- (d) final financial statements comparing actual and budget expenditure shall be prepared and submitted to the Minister by March 31st of the following year, together with an audited report required by other laws relating to local government;
- (e) the budget shall disclose information in the form or manner that the costs of all projects and activities involving capital expenditure can be identified, for measuring performance for their improvement in financial management;
- (f) any other condition the Minister may by regulations prescribe.

Schedule.

Grants.

5. The Minister may establish grants to any local democratic organ.

Formula for fiscal transfers.

6. (1) The annual subvention or fiscal transfers, from central government to local democratic organs, or from one local democratic organ to another local democratic organ, shall be based primarily on a set of conditions and stipulated performance indicators so as to form an aggregate sum arrived at, based on the prescribed formula.

(2) The formula for fiscal transfers referred to in subsection (1) shall be used to allocate financial resources to a local democratic organ from the aggregate sum appropriated in the annual budget to local democratic organs.

(3) All grants or disbursements under this Act shall be aimed at improving the overall performance of the local democratic organs.

(4) The formula for fiscal transfers shall be governed by the regulations made by the Minister under section 7.

Regulations.

7. The Minister may make regulations which shall be subject to affirmative resolution of the National Assembly for the better carrying out of the provisions of this Act.

**SCHEDULE**

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Expenditure and revenue data relating to the last year for which actual expenditure and revenue data are available.

Previous year's budget estimates

**EXPLANATORY MEMORANDUM**

This Bill seeks to give effect to article 77(A) of the Constitution. The ultimate aim of the Bill is to make a local democratic organ as autonomous as possible including its ability to sustain itself financially.

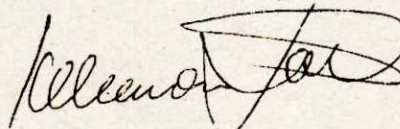
**EXPLANATORY MEMORANDUM**

This Bill seeks to give effect to article 77(A) of the Constitution. The ultimate aim of the Bill is to make a local democratic organ as autonomous as possible including its ability to sustain itself financially.

Under the present financial dispensation, the revenue sustaining the local authorities comes from rates and taxes that are collected, Central Government and other sources.

Under the present fiscal arrangements as set in this Bill there is emphasis on more revenue collection in section 3. There is provision in section 4 for the eligibility for the fiscal transfers to a local democratic organ governed by three conditions each of which has to be complied with in order to benefit from a fiscal transfer.

The formula under which any fiscal transfer is based shall be prescribed by regulations and all grants and disbursements shall be aimed at improving the overall performance of local democratic organs.



Minister of Local Government and Regional Development.