

**Determining Plans and Process of Decentralization to Local Government  
Organization Act B.E.2542 (1999)**

**Translation**

BHUMIBOL ADULYADEJ, REX

Given on the 11th of November B.E. 2542

Being the 54th Year of the Present Reign

His Majesty King Bhumibol Adulyadej has been graciously pleased to proclaim that:

Whereas it is expedient to have the law on Determining Plans and Process of Decentralization to Local Government Organization.

Be it therefore enacted by the King, by and with the advice and consent of the National Legislative Assembly, acting as National Assembly, as follows:

**Section 1**

This Act shall be called "Determining Plans and Process of Decentralization to Local Government Organization Act, B.E.2542 (1999)"

**Section 2**

This Act shall come into force as and from the day following the date of its publication in the Government Gazette.

**Section 3**

All other laws, rules and regulations, in so far as they deal with matters governed by this Act or are inconsistent with its provisions, shall be repealed.

**Section 4**

In this Act,

"Local Administrative Organization" means Provincial Administrative Organization, Municipality, Tambon (sub-district) Administrative Organization, Bangkok Metropolis, City of Pattaya and other Local Government Organizations Prescribed by law.

"Committee" means Committee of decentralization to local government organization.

"Commissioner" means Member of the Commission of decentralization to local government organization.

"Minister" means the Minister having charge and control of the execution of this Act.

**Section 5**

The Prime Minister, Minister of Finance and Minister of Interior shall take charge and control of the execution of this Act. Thus, concerning his power and duties and shall have power to issue Ministerial Regulations and Rules for the execution of this Act.

Such Ministerial regulations and Rules shall come into force upon publication in the Government Gazette.

**Chapter 1**

**Committee of Decentralization to Local Government Organization**

**Section 6**

Setting up of a committee called "committee of decentralization to local government organization" composed of:

- (1) Prime Minister or Deputy Prime Minister delegated by the Prime Minister as the Chairman.
- (2) Minister of Interior, Minister of Finance, Permanent Secretary of Interior, Permanent Secretary of Finance, Permanent Secretary of Education, Permanent of Public Health, Secretary-General of the Council of State, Secretary-General of the Civil Service Commission, Secretary-General of the National Economic and Social Development Board, Budget Director of the Bureau of The Budget and Director-General of the Department of Local Administration.
- (3) Twelve representatives of local government organization consisting of two provincial administrators of Provincial Administrative Organization, three municipal administrators, five administrators of Tambon Administrative Organization and Bangkok Metropolis administrator, Pattaya City administrator or other two administrators of local government organization provided by law. Thus, the administrators of each type of local government organization shall be elected according to the regulations and procedures determined by the Prime Minister.
- (4) Twelve qualified persons composed of experts in the field of State administration, local development, economics, local governance, political science and law. Thus, the selection of qualified experts shall be according to the regulations and procedures determined by the Prime Minister.

The chief of the office of committee of decentralization to local government organization shall be the secretary of the committee.

#### **Section 7**

The qualified persons must have the following qualifications and no disqualification as follows:

- (1) Being of Thai nationality.
- (2) Being of not less than thirty five years of age.
- (3) Not being a Government official holding a permanent position or receiving salary, an official or employee of a State agency, State enterprise or local government organization, except for being a lecturer in a State university.
- (4) Not being a holder of any political positions.
- (5) Not being a member of a local assembly or local administrators.
- (6) Not being an officer or a holder of any position in a political party.

#### **Section 8**

Commissioner under Section 6 (3) vacates office upon resignation by submitting a resignation letter to the Chairman or vacates office from being local administrator.

#### **Section 9**

Commissioner under Section 6 (4) shall hold office for a term of four years and may be selected to fill the vacancy and the elected person shall serve only for the remainder of the term of the replaced Commissioners.

During the period of no replacement for the vacant position in paragraph two and the remaining Commissioners are not less than one half of the commissioners, the remainders may continue to perform their duties.

#### **Section 10**

Apart from the termination of position, the qualified persons shall terminate their office upon:

- (1) Death
- (2) Resignation by submitting a resignation letter to the Chairman

- (3) Being a Bankrupt
- (4) Being an incompetent or quasi-incompetent person
- (5) Any disqualification according to Section 7
- (6) Being imprisoned by a final judgment to a term of imprisonment Section 11 Meetings of the Committee require the presence of at least one-half of its total members to form a quorum.

In a meeting, if the Chairman of the Committee is not present or is unable to perform his functions, the members present shall elect one of them to act as the chairman of that meeting.

Decisions at a meeting require a majority of the votes. In the event of a tie vote, the chairman of the meeting shall cast an additional vote as the deciding vote.

## **Section 12**

The Committee shall have powers and duties as follows:

- (1) To establish decentralization plan to local government organization and implementation plan to be approved by the Council of Ministers and notify to the National Assembly.
- (2) To delineate powers and duties in the management of public services between the State and a local government organization and among local government organizations themselves.
- (3) To improve the ratio of taxes and duties and income between the State and a local government organization and among local government organizations themselves, having regard to burdens of the State vis-a-vis the local government organization and those among local government organization themselves.
- (4) To determine the regulations and procedures in mission transfer from central administration and provincial administration to local government organization.
- (5) To co-operate the transfer of Government officials, local Government officials and State enterprise officers between State agency, State enterprise and local government organization with the Committee, local staff or staff of related agencies in conformity with the delineation of powers and duties, the allocation of taxes and duties, subsidized fund, the budget transferred from central administration to local government organization and the mission transfer according to (2) (3) and (4).
- (6) To give recommendations to the Council of Ministers relating to the approval of decentralization or the authorization as prescribed by law, to ask for the approval or authorization for local government organization in consideration of the convenience and the rapidity in delivery of services to the public and superintend according to these laws.
- (7) To suggest measurements in finance, fiscal policy, taxes and duties, budget, monetary discipline and finance of local government organization.
- (8) To suggest about the enactment of this Act, Royal Decree, the issuance of Ministerial Regulations, Notifications, rules, regulations and orders, which is necessary to proceed according to the decentralization plan to local government organization, to the Council of Ministers?
- (9) To accelerate the enactment of Royal Decree, the issuance of Ministerial Regulations, Notifications, rules, regulations and orders, which is necessary to proceed according to the decentralization plan to local government organization?
- (10) To suggest the Council of Ministers about the increased budget allocation to the local government organization due to the mission transferred from central administration.

- (11) To consider the regulations of subsidized fund allocation to local government organization as necessary.
- (12) To suggest and set up the inspection system including the public participation in localities.
- (13) To submit opinions to the Prime Minister for consideration of issuance orders in case the State agency or State enterprise did not proceed as determined in the decentralization plan to local government organization.
- (14) To submit report about decentralization to local government organization to the Council of Ministers, at least once a year.
- (15) To issue Notifications determined in this Act.
- (16) To perform duties as prescribed in this Act and by other laws.

### **Section 13**

The Committee may appoint the Sub-committee to perform any duties delegated by the Committee.

The provisions of Section 11 shall apply to the meeting of the Sub-committee, *mutatis mutandis*.

### **Section 14**

In performing the duties of this Act, the Committee shall give the power to issue letters to Public sector, State agency, State enterprise and Government official to submit any relevant data or document for the consideration, or may also summon any person to give explanations.

### **Section 15**

Setting up office of the Committee of decentralization to local government organization in the Office of the Permanent Secretary, The Prime Minister's Office by having powers and duties as follows:

- (1) Take charge of administrative work of the Committee
- (2) Collect data, study and analyze about decentralization to local government organization and other data about work of the Committee.
- (3) Coordinate and co-operate with the central administration, provincial administration, local government organization and State enterprise to proceed as prescribed in this Act.
- (4) Follow-up and appraise the performance according to the plan as assigned by the Committee.
- (5) Performing other duties, prescribed by law, as duties of the Office of the Committee of decentralization to local government organization or as assigned by the Committee.

## **CHAPTER 2**

### **Determination of Powers and Duties in Public Services System**

### **Section 16**

The municipality, City of Pattaya and Tambon Administrative Organization shall have power to systematize the public services for the benefit of local communities the as follows :

- (1) Establish local self-development plan.
- (2) Provide and maintain land route, water route and water drainage.
- (3) Provide and control of market, wharf, pier and parking.
- (4) Public utility and other constructions.

- (5) Public assistance.
- (6) Promote, train and carry on occupations.
- (7) Commerce and investment support.
- (8) Promote tourism.
- (9) Provide education.
- (10) Social welfare and develop the life quality of children, women, old people and disadvantaged people.
- (11) Conserve local arts, custom, knowledge and good cultures.
- (12) Improve the slum areas and arrange for housing.
- (13) Provide and maintain the recreational areas.
- (14) Enhance athletic sports.
- (15) Enhance democracy equality, rights and freedom of people.
- (16) Enhance the participation of people in development of local organizations.
- (17) Keep clean and keep the city in perfect order.
- (18) Waste management system including waste water.
- (19) Public health, family sanitation and health care.
- (20) Provide and control the cemetery and cremation.
- (21) Control of livestock farming.
- (22) Provide and control of animal slaughter.
- (23) Security measures, public order, sanitary, theatre and other public places.
- (24) Provide, maintain and benefit taking from forestry, land, natural resources and Environment.
- (25) City plan.
- (26) Transportation and traffic engineering.
- (27) Preserve public places.
- (28) Control of structures.
- (29) Prevent and alleviate of public dangers.
- (30) The public order, promote and support the prevention and security measures of life and properties.
- (31) Other activities for the benefit of local communities announced by the Committee.

### **Section 17**

Under Section 16, Provincial Administrative Organization shall give powers and duties to systemize the public services for the benefit of local communities as follows:

- (1) Establish local self-development plan and coordinate to establish provincial development plan according to the rules determined by the Council of Minister.
- (2) Enhance other local government organizations in development of localities.
- (3) Coordinate and co-operate with other local government organization in performing duties.
- (4) Allocate money, which is prescribed by law, this must be allotted to other local government organizations.
- (5) Protect and preserve forestry, land, natural resources and environment.
- (6) Provide education.

- (7) Enhance democracy, equality, rights and freedom of people.
- (8) Enhance the participation of people in development of local organizations.
- (9) Enhance appropriate technology development.
- (10) Establish and maintain common waste water treatment system.
- (11) Waste management system in common.
- (12) Manage the environment and other pollution.
- (13) Manage and maintain the land route and water route stations.
- (14) Promote tourism.
- (15) Commerce and investment support and operate business alone or join with other people or from the syndicate.
- (16) Construct and maintain land route and water route connected between other local government organizations.
- (17) Establish and maintain central market.
- (18) Enhance athletic sports, local custom and good cultures.
- (19) Provide provincial hospitals, health care, prevention and control of communicable diseases.
- (20) Establish museums and archives.
- (21) Mass transportation and traffic engineering.
- (22) Prevent and alleviate of public dangers.
- (23) Provide provincial order system.
- (24) Perform any activities which are under the powers and duties of other local government organizations in the localities and that activities are appropriate to precede with other local government organizations or proceeded by Provincial Administrative Organization, thus, according to the Notifications of the Committee.
- (25) Enhance or support public sector or other local administrative organizations in development of local organizations.
- (26) Deliver services to private sector, public sector, governmental agencies, State enterprises or other local administrative organizations.
- (27) Social welfare and develop the life quality of children women, old people and disadvantaged people.
- (28) Proceed any activities, determined in this Act or prescribed in other laws, as powers and duties of Provincial Administrative Organization.
- (29) Other activities which are beneficial to the public in localities according to the Notifications of the Committee.

### **Section 18**

Bangkok Metropolis shall have powers and duties in management of public services systems for the benefit of people in the locality under Section 16 and Section 17.

### **Section 19**

Other local government organizations proscribed by law to be local government organizations in a special form non-covering the whole provincial area, having powers and duties in management of public services system for the benefit of the public in its own locality under Section 16.

Other local government organizations provided by law to be local government organizations in a special form covering the whole provincial area, having powers and duties in management of public services system for the benefit of the public in its own locality under Section 16 and 17.

## **Section 20**

In case of law prescribed that local government organizations shall have powers and duties concerning the delivery of same or similar public services, the Committee shall have the power to determine that local government organization shall have power and duties and the responsibility in which section.

## **Section 21**

Powers and duties under the responsibility of the State may be delegated to local government organization to proceed, in proceeding according to the powers and duties indicated in Section 16, Section 17, Section 18 and Section 19, local government organization may coordinate to proceed or may ask the State the State or other local government organizations to proceed, depending on the case.

## **Section 22**

Local government organization may delegate the private sector to proceed a according to the powers and duties. Thus, this shall be in conformity with the regulations, procedures and conditions determined in the Ministerial Regulation.

## **CHAPTER 3**

### **The Allocation of Taxes and Duties**

## **Section 23**

Municipalities, City of Pattaya and Tambon Administrative Organization may receive income from taxes, duties, fee and revenue as follows:

- (1) Land and house tax under the law on land and house.
- (2) Local development land tax under the law on local development land tax.
- (3) Sign tax under the law on signboard.
- (4) Value added tax under the Revenue Code allocated in the rate which amalgamating with the allocation in Section 24 (3) and Section 25 (6) shall not exceed 30% of value added tax collected deduct by the return payment. This collection shall be the duty of the Revenue Department.
- (5) Specific business tax under the Revenue Code by issuance of provision to increase the tariff which amalgamating with the tariff in Section 24 (4) shall not exceed 30% of the tariff collected under the Revenue Code. This Collection shall be the duty of the Revenue Department.
- (6) Excise tax under the law on excise, liquor law under the law on liquor and tobacco stamp under the law on tobacco collected from trade in municipal area, City of Pattaya and Tambon Administrative Organization by issuance of provision to increase the collection tariff which shall not exceed 30% of the tariff collected by The Excise Department and it is considered as taxes and stamps under the law of that matter. The collection shall be the duty of The Excise Department.
- (7) Automobile tax and fee of including the increased money under law on automobile, automobile tax under the law on domestic land and fee for vehicle under the law on vehicle.
- (8) Gamble tax under law on gamble.
- (9) Education tax under law on national education.
- (10) Animal killing duty and for other benefits from animal killing under law on control of animal killing and selling of meat.
- (11) Swallow nest duty under law on duty of swallow nest.

- (12) Mineral royalty fee under law on mineral after deduction for the State income at the rate of 40% as follows:
  - (a) Tambon Administrative Organizations or municipalities with the area covering according to the concession shall be allocated for 20% of the mineral royalty fee collected in that area.
  - (b) Tambon Administrative Organizations and other municipalities in the provincial area covering concession area shall be allocated for 10% of the mineral royalty fee collected in that area.
  - (c) Tambon Administrative Organizations and municipalities in other provinces shall be allocated for 10% of the mineral royalty fee collected in that area.
- (13) Petroleum royalty fee under law on petroleum after deduction for the State income at the rate of 40% as follows:
  - (a) Tambon Administrative Organizations or municipalities with area covering according to the concession shall be allocated for 20% of the mineral royalty fee collected in that area.
  - (b) Tambon Administrative Organizations or municipalities in the provincial area covering concession area shall be allocated for 10% of the petroleum royalty fee collected in that area.
  - (c) Tambon Administrative Organizations and municipalities in other provinces shall be allocated for 10% of the petroleum royalty fee collected in that area.
- (14) Registration of title license fee and juristic act relevant to immovable property with capital within that area. Thus, this shall be in conformity with the Land Code and Condominium Act.
- (15) Airport fee under the law on Air Navigation. Thus, this shall be in conformity with the rate and procedure determined by the Committee.
- (16) The following fees prescribed by provisions to increase the rate of collection shall not exceed 10% of the fees collected by law on that matter.
  - (a) Liquor selling license fee under the law on liquor.
  - (b) Gamble license fee under the law on gamble.
- (17) Fee, license fee and fine in businesses authorized by law for the municipality of City of Pattaya and Tambon Administrative Organization to proceed in that local area and the income shall belong to the mentioned local government organizations. In case that the law prescribed that the municipalities shall collect fee, license fee and fine, the income shall be allocated with Tambon Administrative Organizations in the provincial area determined by the Committee.
- (18) Fee from using of water from artesian well under the law on water form artesian well. Thus, this shall be in conformity with the ratio determined by the Committee.
- (19) Any fees collected from users or receiving the benefits provided by public services.
- (20) Other incomes, which are prescribed by law, belonging to the municipality, City of Pattaya and Tambon Administrative Organization.

#### **Section 24**

Provincial Administration Organizations may have income from taxes, duties and fee and the following incomes:

- (1) Provincial Administration Organization tax for gasoline and the similar types of gasoline, diesel and the similar types of diesel, petroleum gas used as fuel for automobile collected from trade in the provincial area by issuance of provision to



- increase the collection rate of not exceeding ten Satang per liter for gasoline and not exceeding ten Satang per kilogram for petroleum gas.
- (2) Provincial Administration Organization tax for tobacco collected from trade in the provincial area by issuance of provision to increase the collection rate not exceeding ten Satang per cigarette.
  - (3) Value added tax under the Revenue Code allocated in the rate which amalgamating with the allocation in Section 23 (4) and Section 25 (6) shall not exceed 30% of value added tax collected by the return payment. This collection shall be the duty of the Revenue Department.
  - (4) Specific business tax under the Revenue Code by issuance of provision to increase the collection in the rate which amalgamating with the allocation in Section 23 (5) shall not exceed 30% of the tax tariff collected under the Revenue Code. This collection shall be the duty of the Revenue Department.
  - (5) Automobile tax and fee of including the increased money under law on automobile, automobile tax under the law on domestic land and fee for vehicle under the law on vehicle.
  - (6) Education tax under law on national education.
  - (7) Swallow nest duty under law on duty of swallow nest.
  - (8) Mineral royalty fee under law on mineral allocated for 20% of the mineral royalty fee collected in that area of Provincial Administrative Organization.
  - (9) Petroleum royalty fee under law on petroleum allocated for 20% of the petroleum royalty fee collected in that area of Provincial administrative Organization.
  - (10) Fee for Provincial Administrative Organization by issuance of provision to collect from the hotel guests under the law on hotel.
  - (11) Fee, license fee and fine in businesses authorized by law for the Provincial Administrative Organization and the income shall belong to the Provincial Administrative Organization.
  - (12) Any fees collected from users or receiving the benefits from public services provided by Provincial Administrative Organization.
  - (13) Other incomes, which are prescribe by law, belonging to Provincial Administrative Organization.

## **Section 25**

Bangkok Metropolis may have income from taxes, duties and fees including the following incomes:

- (1) Land and house tax under the law on land and house.
- (2) Local development land tax under the law on local development land tax.
- (3) Sign tax under the law on signboard.
- (4) Tax for Bangkok Metropolis for gasoline and the similar types of gasoline, diesel and the similar types of diesel, petroleum gas used as fuel for automobile collected from trade in Bangkok Metropolis by issuance of provision to increase the collection rare which shall not exceed ten Satang per kilogram for petroleum gas.
- (5) Tax for Bangkok Metropolis for tobacco collected from trade in Bangkok Metropolis by issuance of provision to increase the collection rate which shall not exceed ten Satang per cigarette.
- (6) Value added tax under the Revenue Code allocated in the rate which amalgamating with the allocation in Section 23 (4) and Section 24 (3) shall not

exceed 30% of value added tax collected deduct by the return payment. This collection shall be the duty of the Revenue Department.

- (7) Specific business tax under The Revenue Code provided the increasing collection rate shall not exceed 30% of the tariff duty collected The Revenue Code, which shall be the duty of The Revenue Department to collect.
- (8) Excise tax under the law on excise, liquor law under the law on liquor and tobacco stamp under the law on tobacco collected from trade in the area of Bangkok Metropolis by issuance of provision to increase the collection tariff which shall not exceed 30% of the tariff collected by The Excise Department and it is considered as taxes and stamps under the law of that matter. The collection shall be the duty of The Excise Department.
- (9) Education tax under law on national education.
- (10) Automobile tax and fee of including the increased money under law on automobile, automobile tax under the law on domestic land and fee for vehicle under the law on vehicle.
- (11) Gamble tax under law on gamble.
- (12) Mineral royalty fee under law on mineral collected in the area of Bangkok Metropolis in the rate of 40% of the mineral royalty fee collected by the Department of Mineral Resources.
- (13) Petroleum royalty fee under law on petroleum collected in the area of Bangkok Metropolis in the rate of 40% of the petroleum royalty fee collected by the Department of Mineral Resources.
- (14) Animal killing duty and for other benefits from animal killing under law on control of animal killing and selling of meat.
- (15) Fee of Bangkok Metropolis by issuance of provision to collect from the hotel guest under the law on hotel.
- (16) Airport fee under the law on Air Navigation. Thus, this shall be in conformity with the rate and procedure determined by the Committee.
- (17) Registration of title license fee and juristic act relevant to immovable property with capital within the area. Thus, this shall be comply with the Land Code and the Condominium Act.
- (18) The following fees prescribed by provisions to increase the rate of collection, which shall not exceed 30% of the fees collected by law on that matter.
  - (a) Liquor selling license fee under the law on liquor.
  - (b) Gamble license fee under the law on liquor.
- (19) Fee, license fee and fine in businesses authorized by law for Bangkok Metropolis to proceed within the area of Bangkok Metropolis and the income shall belong to Bangkok Metropolis.
- (20) Any fees collected from users or receiving the benefits from public services provided by Bangkok Metropolis.
- (21) Other incomes, which are prescribed by law, belonging to Bangkok Metropolis.

## **Section 26**

Other local government organizations prescribed by law to be special form of government organization not covering the whole provincial area shall have income from taxes, duties, fees and other income under Section 23.

Other local government organizations prescribed by law to be special form of government organization covering the whole provincial area shall have income form taxes, duties, fees and other income under Section 23 and Section 24.

## **Section 27**

Other types of taxes and duties apart from those prescribed in Section 23, Section 24, Section 25 and Section 26, may be prescribed as common taxes and duties between the State and local government organization or may be prescribed for local government organization to increase the collection rate in accordance with the mission and the budget transferred from central administration to local government organization.

Thus, this shall be comply with the decentralization plan to local government organizations.

The allocation of taxes and duties under paragraph one in each year, the Committee shall determine by having regard to burdens of the State vis-a-vis the local government organization and those among local government organizations themselves.

## **Section 28**

Local Government Organization may have the following incomes:

- (1) Income from the property of local government organization.
- (2) Income from public utilities.
- (3) Income from commerce and operate business alone, join with other people or from the syndicate.
- (4) Taxes, duties, fee, license fee, fine, compensation or other income as prescribed by law as income of local government organization.
- (5) Service fee.
- (6) Subsidized fund from the Government, State agency, State enterprise or other local government organizations.
- (7) Subsidized fund from foreign countries,, foreign organization or international organizations.
- (8) Income from selling the bonds.
- (9) Loans from Ministries, Sub-ministries, Departments, Organizations or other juristic persons.
- (10) Foreign loans, foreign organization or international organizations.
- (11) Donated money and other properties.
- (12) Subsidized money or compensation.
- (13) Income from State properties or income from properties of State enterprise proceeding with the lucrative objective in the area of local government organization.
- (14) Income from special fees.

Issuance of bonds under (8), loans from organizations or other juristic persons under (9), loans under (10), and income under (13) shall be prescribed as local provisions with the approval from the Council of Ministers.

## **Section 29**

Prescription that local government organization shall receive income in this section shall be in conformity with the regulations, procedures, conditions, allocation rate, income submission and income acceptance for the local government organization, in accordance with the prescription of the Committee by publishing in the Government Gazette.

In case the prescription of income of local government organization in some matters have already prescribed by other laws and it is the income determination for local government organization in the same matter, as prescribed in the provision about income of local government organization in this section, the provision of this section shall be applied instead of the provision of that law.

Thus, if the determination of income in any matter prescribed by any law about the regulations, procedures, conditions, allocation rate, income submission and income acceptance has already been in force, such law shall be applied temporary until the notification of the Committee under paragraph one shall be announced. In the reverse case, the income determination prescribed in the provision of this section shall come into force after the notification of the Committee under paragraph one.

Local government organization may delegate the State agency, State enterprise or other local government to collect taxes, duties, fees, license fees, compensation or other incomes for that local government organization, Thus, the expenses shall be charged in line with the regulations, procedure and rate prescribed in the Ministerial Regulations.

## **CHAPTER 4**

### **Decentralization Plans to Local Government Organization**

#### **Section 30**

Decentralization Plans to local Government Organization shall be proceeded as follows:

- (1) Proceed the transferred missions relating to the public services managed by the State on the date of enforcement of this Act to local government organization with the period of time as follows:
  - (a) The overlap missions between the State and local government organization or the mission provided by the State in the area of local government organization, the proceeding shall be complete within four years.
  - (b) The missions provided by the State in the area of local government organization which impacted to other local government organizations, the proceeding shall be complete within four years.
  - (c) The missions proceeded under the government policy, the proceeding shall be complete within four years.
- (2) Determine the area of responsibility in delivery of public services by the state and local government organization and between local government organizations themselves according to powers and duties clearly determined in this Act. In the initial period, the missions of local government organization may be different in accordance with the readiness of each local government organization considered from the income and personnel of that local government organization, number of population, expenses in proceeding including the quality of delivery public services to the public. Thus, this shall not exceed the period of ten years,
- (3) Determine the direction and regulations for the State to coordinate and co-operate including giving help to the proceeding of local government organization efficiently.
- (4) Determine the allocation of taxes and duties, subsidized fund and other income to local government organization in harmony with the proceeding according to the powers and duties of each type of local government organization as appropriate.

Within the period of not exceeding the year 2001, local government organization shall receive the increased revenue in the ratio of government revenue of not less than 20%, and within the period of not exceeding the year 2006, local government organization shall receive the increased revenue in the ratio of Government revenue of not less than 35%.

Thus, by increased ratio according to the period of time appropriate for the development, local government organization shall be able to proceed the public

services by itself and by the fair allocation to local government organization in consideration with the income of that local government organization too.

- (5) Set aside the annual appropriations relating to the public services in local government organization. The State shall allocate subsidized fund according to the necessity and the need of that local government organization.

### **Section 31**

In proceeding according to the powers and duties of local government organization, in case any law prescribed in the characteristic that local government organization shall not be able to proceed according to the powers and duties by itself or it is redundant with the performing of duties in delivery of public services between the State and a local government organization and among local government organizations themselves and the Committee consider that the law should be revised, the Committee shall notify the Prime Minister for further proceed in the revision of that law.

### **Section 32**

The Committee shall proceed to establish implementation plan to lay down process of decentralization according to the decentralization plan to local government organization, the substance of which shall at least provide for the following matters.

- (1) Prescribe the detail about powers and duties in delivery of public services which each type of local government organization must implement. In such case the powers and duties related to the proceeding of the State or among local government organization themselves, the implementation guideline shall be prescribed to co-operate the proceeding for the purpose of common benefit.
- (2) Prescribe the regulations and the procedure in taxes and duties allocation to be enough for the proceeding in accordance with the powers and duties determined as powers and duties of local government organization. Thus, the mission of the State in deliver of public services in common shall be considered.
- (3) The detail about suggestion to revise or prescribed the necessary saw to proceed in accordance with the decentralization plan to local government organization.
- (4) Systematize the personnel administration of local government organization by prescribing the policy and measurements of personnel dissemination from central administration and provincial administration to local administration by creating the system of personnel transfer to local area and creating the system of appropriate professional advancement.

The implementation plan in paragraph one must prescribe the detail about the implementation method and determine the responsible agencies including the period of time in implementation clearly.

### **Section 33**

After the Committee has established the implementation plan under Section 32, this plan shall be submitted to the Council of Ministers for the approval and notify the National Assembly so as to be published in the Government Gazette for further enforcement.

The implementation plan notified for the enforcement in paragraph one shall be bond the related State agency and must be preceded in accordance with that implementation plan.

In case of change of the situation during the enforcement of the implementation plan and notify the Council of Ministers in each year. Incase of any obstacles arise and not being able to carry out any implementation plan, the Committee shall notify about the problems, obstacles including giving the solution guideline to the Council of Ministers.

### **Section 34**

The Committee shall consider and revise the powers and duties prescribed including the income allocation for local government organization after implemented the decentralization plan to local government organization by reconsideration in each period, which shall not

exceed five years, as from the date of prescribing powers and duties or the date of income allocation. Thus, the appropriateness of prescribing powers and duties and the income allocation shall be considered so as to increase the decentralization to local government organization.

## **TRANSITIONAL PROVISIONS**

### **Section 35**

In the initial period, the Committee shall establish a plan under Section 30 and implementation plan under Section 32 within one year from the performing date of this duty by the Committee, according to this Act.

### **Section 36**

In the initial period, the Prime Minister shall elect the representative of Local Government Organization and select qualified persons under Section 6 within sixty days as from the date of enforcement of this Act.

### **Section 37**

In the initial period, for the purpose of implementation according to the powers and duties of Committee of this Act, the Prime Minister may order to related State agencies to help for the implementation of the Committee as appropriate.

Countersign by

Mr. Chuan Leekpai

Prime Minister

**Note:** The reason for the promulgation of this Act is that under Section 284 of the Constitution of the Kingdom of Thailand provide to issue the law on determining plans and process of decentralization to develop decentralization in localities gradually, with the substance relating to the delineation of powers and duties in public services system and the allocation of taxes and duties of local government organization and shall have Committee consisting, in an equal number, of representatives of relevant Government agencies, perform the mentioned duties, It is, therefore, this law must be enacted.

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