

THE KARNATAKA HOUSING BOARD ACT, 1962

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STATEMENT OF OBJECTS AND REASONS

I

Act 10 of 1963.—The Mysore Housing Board Act, 1955 and the Mysore Labour Housing Act, 1949, are in force in the Mysore Area; and the Bombay Housing Board Act, 1948, is in force in the Bombay Area. The Hyderabad Housing Board Act, 1956 has been enacted by the Hyderabad Legislature, but has not been brought into force in the Hyderabad Area. There is no such legislation in the Madras Area and the Coorg District.

The jurisdiction and activities of the Mysore Housing Board are now confined to the Mysore Area only and the housing activities of the other integrated areas are being looked after by a Special Officer appointed by Government. With a view to bringing the entire State under the purview of one uniform law this Bill is proposed. It is expected that by this measure, the difficulties now felt in the successful implementation of the housing schemes in the entire State would be overcome.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 23.8.1962 at page. 661-662)

II

Amending Act 10 of 1974.—In order to ensure better implementation of Karnataka Housing Board Act, 1962, it was considered necessary to amend the Act, providing that—

- (i) the number of members of the Board be increased to 15 from 12,
- (ii) the Chairman and other members shall hold office during the pleasure of the State Government instead of for three years;
- (iii) the Housing Commissioner a Chief Engineer and a Secretary be appointed by the State Government instead of by the Board and the Housing Commissioner be invested with the powers of a Major Head of Department;
- (iv) the State Government may authorise the delegation by the Housing Commissioner to such person or class of persons specified in a notification of any powers conferred or duties imposed upon him by or under the Act;
- (v) investing revisional powers with the State Government in respect of certain matters.

A Bill for some of the purposes was introduced in the Assembly. The Bill was not taken up for consideration by the House. As the Assembly only was in session and as it was considered necessary to take immediate action an Ordinance was promulgated on 3rd November 1973 incorporating the provisions of the Bill with certain modifications.

The Bill seeks to replace the Ordinance.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 4th March, 1974 as No. 443 at page 9.)

III

Amending Act 8 of 1988.—It is considered necessary to amend the Karnataka Housing Board Act, 1962 to provide for the following;

- (i) To frame land development schemes and to implement the said schemes.

(ii) The Board at present consists of a Chairman and fifteen other members to be appointed by the Government. Sine it is felt necessary to have a change in the composition of the Board it is proposed to have a Chairman appointed by the Government and twelve other members, of whom seven are official members, and five non-official members appointed by the Government.

(iii) To delegate powers of the Board to the Housing Commissioner or other officers of the Board.

(iv) At present the Local authorities like the Municipal Corporations, City or Town Municipal Councils or Mandal panchayats are not evincing interest in providing basic civic amenities like street light, water supply, etc., in the areas where the Board has constructed houses and the Board is forced to provide such amenities with the fund available with it. It is, therefore, considered necessary to provide for exercising certain powers under the Karnataka Municipalities Act, 1964, Karnataka Municipal Corporations Act, 1976 and the Karnataka Zilla Parishads, Taluk Panchayat Samithis, Mandal Panchayats and Nyaya Panchayats Act, 1983 by the Board and the Housing Commissioner.

(v) To enhance the financial powers of the Board and the Commissioner.

(vi) To evict from Board premises the persons who have failed to pay the instalments of loan due to the Board.

(viii) To enable the Board to borrow money to carry out the purposes of the Act and also to mortgage by way of security of its properties for loans so borrowed.

(ix) To establish a sinking fund to repay the loan borrowed by the Board.

Opportunity is also taken to make certain consequential changes.

Hence the Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 5th February, 1988 as No. 74 at page. 13).

IV

Amending Act 13 of 1999.- It is considered necessary to amend the Karnataka Housing Board, 1962 to provide for thirty per cent representation to women among the nominated members of the Karnataka Housing Board.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary) Part IV-2A dated 31st March 1999 as No 298) (Notification No.LGA/BLA/19/1999 dated 31.03.1999).

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¹[KARNATAKA]¹ ACT No. 10 OF 1963

(First published in the ¹[Karnataka Gazette]¹ on the Twenty-first day of March, 1963.)

THE ¹[KARNATAKA]¹ HOUSING BOARD ACT, 1962.

(Received the assent of the President on the Ninth day of March, 1963.)

(As amended by Karnataka Acts 10 of 1974; 8 of 1988 and 13 of 1999.)

An Act to provide for measures to be taken to deal with and satisfy the need of housing accommodation.

WHEREAS it is expedient to take such measures, to make such schemes and to carry out such works as are necessary for the purpose of dealing with and satisfying the need of housing accommodation and with that object in view it is necessary to establish a Board for the ¹[State of Karnataka]¹ and to make certain other provisions; Be it enacted by the ¹[Karnataka State]¹ Legislature in the Thirteenth Year of the Republic of India as follows:—

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 01.11.1973.

CHAPTER I PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the ¹[Karnataka]¹ Housing Board Act, 1962.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 01.11.1973.

(2) It extends to the whole of the ¹[State of Karnataka]¹.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 01.11.1973.

(3) It shall come into force on such ¹[date]¹ as the State Government may, by notification, appoint.

1. The Act has come into force by notification w.e.f. 27.1.1965. Text of the notification is at the end of the Act.

2. Definitions.—In this Act, unless the context otherwise requires,—

(a) “Board” means the Housing Board constituted under section 3;

(b) “Board premises” means any premises belonging to or vesting in the Board or taken on lease by the Board or entrusted to the Board under this Act for management and use for the purpose of this Act;

(c) “building materials” means such commodities or articles as are specified by the State Government by notification to be building materials for the purposes of this Act;

(d) “bye-laws” means bye-laws made under section 77;

(e) "Chairman" means the Chairman of the Board;

(f) "competent authority" means any person authorised by the State Government, by notification to perform the functions of the competent authority under Chapter VI for such area as may be specified in the notification;

(g) 'Corporation' means a Municipal Corporation established under any law for the time being in force in the State; ¹[(g-1) 'District', 'District Court' and 'District Judge' respectively mean in the case of the Bangalore Metropolitan area, 'the City of Bangalore', 'the City Civil Court and 'a Judge' as defined in the Bangalore City Civil Court Act, 1979 (Karnataka Act 13 of 1980);]¹

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

¹[(g-2)] 'Housing Commissioner' means the officer appointed under section 10;]¹

1. Inserted by Act 10 of 1974 w.e.f. 3.11.1973 & re-numbered by Act 8 of 1988 w.e.f. 01.05.1988 by notification. Text of the notification is at the end of the Act.

(h) "housing scheme" means a housing scheme under this Act;

(i) "land" includes benefits to arise out of land and things attached to the earth or permanently fastened to anything attached to the earth;

¹[(i-1) 'land development scheme' means a scheme framed under this Act for the purpose of providing house sites in any area;]¹

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

(j) "member" means a member of the Board;

(k) "notification" means a notification published in the official Gazette;

(l) "premises" means any building or part of a building and includes,—

(i) gardens, grounds and out-houses, if any, appertaining to such building or part of a building, and

(ii) any fittings affixed to such building or part of a building for the more beneficial enjoyment thereof;

(m) "prescribed" means prescribed by rules;

(n) "programme" means the annual housing programme ¹[and land development programme]¹ prepared by the Board under section 19;

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

(o) "regulations" means regulations made under section 76;

(p) "rent" means the amount payable to the Board in respect of the occupation of a Board premises ¹[but excludes]¹ the charges for water and electricity payable in respect of water and electricity used or consumed in the premises.

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

- (q) "rules" means rules made under section 74;
- (r) "Secretary" means the Secretary of the Board;
- (s) "Tribunal" means the Tribunal specified under section 40; and
- (t) "year" means the year commencing on the 1st day of April and ending on the 31st day of March.

CHAPTER II

ESTABLISHMENT OF THE BOARD

3. Constitution of the Board.—(1) With effect from such date as the State Government may, by notification, appoint in this behalf, there shall be established for the purposes of this Act, a Board by the name of the ¹[Karnataka Housing Board]¹ which shall be a body corporate having perpetual succession and a common seal and may sue and be sued in its corporate name and shall subject to the provisions of this Act, be competent to acquire, hold and dispose of property both movable and immovable and to contract and do all things necessary for the purposes of this Act.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 01.11.1973.

¹[(2) The Board shall consist of the following members, namely:—

- (a) a Chairman who shall be appointed by the State Government;
- (b) the Secretary to Government, in charge of Housing, Government of Karnataka;
- (c) the Secretary to Government, Finance Department, Government of Karnataka;
- (d) the Chief Engineer (Communication and Building) (South);
- (e) the Director of Town Planning, Government of Karnataka;
- (f) Chairman and Managing Director, Karnataka Land Army Corporation;
- (g) the Housing Commissioner;
- (h) a nominee of the Housing and Urban Development Corporation not below the rank of a Regional Chief; and
- (i) five non-official members appointed by the State Government ¹[of which two shall be women]¹;

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

¹[(2A) The names of members appointed including the Chairman shall be notified in the official Gazette.]¹

1. Inserted by Act 10 of 1974 w.e.f. 3.11.1973.

(3) ¹[Any non-official member]¹ of the Board ²[including the Chairman]² may at any time resign his office by submitting his resignation to the State Government:

Provided that the resignation shall not take effect until it is accepted.

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

2. Inserted by Act 10 of 1974 w.e.f. 3.11.1973.

(4) For the purpose of this Act and the Land Acquisition Act, 1894, the Board shall be deemed to be a local authority.

4. Leave of absence of Chairman.—The State Government may, from time to time, grant to the Chairman such leave as may be admissible under the rules and any person whom the State Government appoints to act for the Chairman during such absence on leave shall, while so acting, be deemed for all purposes of this Act to be the Chairman.

5. Disqualification for appointment on Board.—(1) A person shall be disqualified for being appointed or for continuing as the Chairman or member of the Board, if he,—

(a) holds any office or place of profit under the Board,

(b) is of unsound mind and stands so declared by a competent court,

(c) is an undischarged insolvent,

(d) has directly or indirectly by himself or by any partner, any share or interest in any contract or employment with, by or on behalf of the Board, or

(e) is a Director or a Secretary, Manager or other salaried officer of any incorporated company which has any share or interest in any contract or employment with, by or on behalf of the Board.

(2) A person shall not be disqualified under clause (d) or (e) of sub-section (1) or be deemed to have any share or interest in any contract or employment within the meaning of the said clauses, by reason only of his or the incorporated company of which he is a Director, Secretary, Manager or other salaried officer, having a share or interest in any newspaper in which any advertisement relating to the affairs of the Board is inserted.

(3) A person shall not be disqualified under clause (d) or (e) of sub-section (1) or be deemed to have any share or interest in any incorporated company which has any share or interest in any contract or employment with, by or on behalf of, the Board, by reason only of his being a shareholder of such company:

Provided that such person discloses to the State Government the nature and extent of the shares held by him.

¹[6. Term of office and conditions of service.—(1) The Chairman and every other member shall hold office during the pleasure of the State Government.

(2) Subject to the provisions of sub-section (1), the Chairman and every other member shall hold office for three years from the date of their appointment, but they shall be eligible for re-appointment.

(3) The Chairman and every other member shall receive such allowances as may be prescribed.

(4) The allowances to the Chairman and the other members shall be paid from the funds of the Board and such allowances and other conditions of service shall be such as may be prescribed.]¹

1. Substituted by Act 10 of 1974 w.e.f. 3.11.1973.

7. Vacancy of a member.—¹[If the Chairman or any other member]¹,—

1. Substituted by Act 10 of 1974 w.e.f. 3.11.1973.

(a) becomes subject to any of the disqualifications mentioned in section 5, or

(b) tenders his resignation in writing to the State Government, or

(c) is absent without the permission of the Board from all the meetings of the Board for three successive ordinary meetings,

he shall ¹[cease to be the Chairman or a member]¹.

1. Substituted by Act 10 of 1974 w.e.f. 3.11.1973.

8. Vacancy to be filled as early as practicable.—(1) ¹[Any vacancy in the office of the Chairman or of a member]¹ shall be filled in as early as practicable.

1. Substituted by Act 10 of 1974 w.e.f. 3.11.1973.

(2) Notwithstanding anything contained in this Act, the continuing members may during such vacancy act, as if no vacancy had occurred.

9. Proceedings presumed to be good and valid.—No disqualification of, or defect in the appointment of, any person acting as a Chairman or a member of the Board shall be deemed to vitiate any act or proceeding of the Board, if such act or proceeding is otherwise in accordance with the provisions of this Act.

¹[10. Appointment and powers of Housing Commissioner, Chief Engineer and Secretary.—(1) The State Government shall appoint an officer not below the rank of a Deputy Commissioner to be the Housing Commissioner for the Board.

(2) The State Government shall from among its officers appoint a Chief Engineer and a Secretary to the Board.

(3) The Housing Commissioner, the Chief Engineer and the Secretary shall receive such monthly salary and other allowances payable wholly by the Board as the State Government may, from time to time determine.

(4) The State Government may, from time to time grant leave of absence for such period as it thinks fit to the Housing Commissioner, the Chief Engineer and the Secretary. A copy of every order granting such leave shall be communicated to the Chairman.

(5) The Housing Commissioner shall be the Chief Executive and Administrative Officer of the Board. He shall, in addition to performing such functions as are conferred on him by or under this Act or under any law for the time being in force, operate the accounts of the Board and be responsible for the maintenance of accounts of the Board. He shall also be responsible for implementing the ¹[housing schemes, land development schemes and labour housing schemes]¹ of the Board.

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

(6) The Housing Commissioner shall have all the powers of a major Head of the Department of the State Government under the Karnataka Civil Services Rules for the time being in force as respects the officers and the servants of the Board.

(7) The Chief Engineer and the Secretary shall exercise such powers and perform such functions as the Board may, subject to any general or special order of the State Government specify from time to time.

10A. Officers and servants of the Board.—(1) Subject to such rules as may be made under this Act, the Board may have such officers and servants as are necessary for its purposes. In making these appointments it shall be the duty of the appointing authority to reserve adequate number of posts for the Schedule Castes, Scheduled Tribes and other backward classes of citizens in the same manner and to the same extent as are applicable to recruitment to the State Civil Services.

(2) The emoluments, allowances and other conditions of service of the officers and servants referred to in sub-section (1) shall be the same as are applicable to the officers and servants of the State Government governed by the Karnataka Civil Services Rules except as otherwise prescribed.

(3) The Karnataka Public Service Commission shall exercise the same functions as respects the services of the Board as the said Commission exercises under Article 320 of the Constitution of India as respects the services of the State and every appointment to posts carrying a maximum monthly salary exceeding rupees two hundred, other than those prescribed, shall be made in consultation with the Karnataka Public Service Commission:

Provided that this sub-section shall not apply to an officiating or temporary appointment for an aggregate period not exceeding one year:

Provided further that no appointment shall be made contrary to the advice of the said Commission except with the approval of the State Government.]¹

1. Sections 10 and 10A Substituted by Act 10 of 1974 w.e.f. 3.11.1973.

11. General disqualification of all officers and servants.—No person who has directly or indirectly by himself or his partner or agent, any share or interest in any contract, by or on behalf of the Board or in any employment under, by or on behalf of the Board, otherwise than as an officer or servant thereof, shall become or remain an officer or servant of the Board.

12. Appointment of committees.—Subject to any rules made under this Act, the Board may, from time to time, and for any particular local area appoint one or more committees for the purpose of discharging such duties or performing such functions as it may delegate to them and any such committee may discharge such duties or perform such functions with due regard to the circumstances and requirements of that particular area.

13. Meetings of the Board.—The Board shall meet and shall from time to time make such bye-laws with respect to the day, time, place, notice, management and adjournment of its meetings as it thinks fit, subject to the following provisions, namely:—

- (a) an ordinary meeting shall be held once at least every two months;
- (b) the Chairman may, whenever he thinks fit, call for special meetings;
- © the quorum for every meeting shall be ¹[seven]¹;

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

¹[(cc) if any member being the Secretary to Government is unable to attend any meeting of the Board, he may under intimation to the Chairman, authorise any officer not below the rank of a Deputy Secretary in writing, to do so;]¹

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

(d) every meeting shall be presided over by the Chairman and in his absence, by any member chosen by the members present at the meeting to preside for the occasion;

(e) all questions at any meeting shall be decided by a majority of the members present and voting and in case of equality of votes the person presiding shall have and exercise a second or casting vote;

(f) the minutes of the proceedings of each meeting shall be recorded in a book to be provided for the purpose.

14. Power to make contracts.—The Board may enter into and perform or require the performance of all such contracts as it may consider necessary or expedient for carrying out any of the purposes of this Act.

15. Execution of contracts.—(1) Every contract shall be made on behalf of the Board by the ¹[Housing Commissioner]¹:

1. Substituted by Act 10 of 1974 w.e.f. 3.11.1973.

Provided that,-

(a) no contract involving an expenditure of rupees ¹[fifty lakhs]¹ and more shall be made without the previous sanction of the State Government,

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

(b)(i) no contract involving an expenditure of rupees ¹[ten lakhs]¹ and more shall, subject to clause (a), be made without the previous sanction of the Board,

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

(ii) no estimate or tender involving an expenditure of rupees ¹[ten lakhs]¹ and more shall, subject to clause (a), be sanctioned or accepted without the previous sanction of the Board.

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

(2) Sub-section (1) shall apply to every variation or abandonment of a contract or estimate as well as to an original contract or estimate.

(3) Every contract made by the ¹[Housing Commissioner]¹ on behalf of the Board shall, subject to the provisions of this section, be entered into in such manner and form as may be prescribed.

1. Substituted by Act 10 of 1974 w.e.f. 3.11.1973.

(4) A contract not made or executed as provided in this section and the rules made thereunder shall not be binding on the Board.

¹[16. Delegation.—²[(1)]² The State Government may, by notification, authorise the delegation by the Housing Commissioner to such person or class of persons and subject to such conditions as may be specified in such notification, of any powers conferred or duties imposed upon him by or under this Act.]¹

1. Substituted by Act 10 of 1974 w.e.f. 3.11.1973.

2. Re-numbered by Act 8 of 1988 w.e.f. 1.5.1988.

¹[(2) The Board may, by notification, direct that any power exercisable by it under this Act except the power to make regulations may also be exercised by the Housing Commissioner or such other officer of the Board as may be specified in the notification subject to such restrictions and conditions as may be specified therein.]¹

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

CHAPTER III

HOUSING SCHEMES ¹[AND LAND DEVELOPMENT SCHEMES]¹

17. Duty of Board to undertake housing schemes ¹[and land development schemes]¹.—Subject to the provisions of this Act and subject to the control of the State Government, the Board may incur expenditure and undertake works in any area

for the framing and execution of such housing schemes ¹[and land development schemes]¹ as it may consider necessary from time to time, or as may be entrusted to it by the State Government.

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

18. Matter to be provided for by housing schemes.—Notwithstanding anything contained in any other law for the time being in force, a housing scheme may provide for all or any of the following matters, namely:—

(a) the acquisition by purchase, exchange or otherwise of any property necessary for or affected by the execution of the scheme;

(b) the laying or relaying out of any land comprised in the scheme;

(c) the distribution or redistribution of sites belonging to owners of property comprised in the scheme;

(d) the closure or demolition of dwellings unfit for human habitation;

(e) the demolition of obstructive buildings or portions of buildings;

(f) the construction and reconstruction of buildings, their maintenance and preservation;

(g) the sale, letting or exchange of any property comprised in the scheme;

(h) the construction and alteration of streets and back lanes;

(i) provision for the draining, water-supply and lighting of the area included in the scheme ¹[and carrying out by the Board in such area, drainage, sewerage and water supply works]¹;

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

(j) the provision of parks, playing-fields and open spaces for the benefit of any area comprised in the scheme and the enlargement of existing parks, playing fields, open spaces and approaches;

(k) the provision of sanitary arrangements required for the area comprised in the scheme, including the conservation and prevention of any injury or contamination to rivers or other sources and means of water-supply;

(l) the provision of accommodation for any class of inhabitants;

(m) the advance of money for the purposes of the scheme;

(n) the provision of facilities for communication and transport;

(o) the collection of such information and statistics as may be necessary for the purposes of this Act;

(p) any other matter for which, in the opinion of the State Government, it is expedient to make provision with a view to provide housing accommodation and to the improvement or development of any area comprised in the scheme or the general efficiency of the scheme.

¹[18A. Matters to be provided for by land development schemes.—Notwithstanding anything contained in any other law for the time being in force, a land development scheme may within the limits of the area comprised in the scheme, provide for all or any of the following matters, namely:—

(a) the acquisition by purchase, exchange or otherwise, of any land which in the opinion of the Board will be necessary for or affected by the execution of scheme;

(b) laying or re-laying of all or any land comprised in the scheme and formation and alteration of streets;

(c) drainage, water supply and electricity and carrying out by the Board in the area included in the scheme, drainage sewerage and water supply works;

(d) the distribution or redistribution of sites comprised in the scheme;

(e) raising the level of any land which the Board may consider expedient to raise to facilitate better drainage;

(f) forming open space for the better ventilation of the area comprised in the scheme or any adjoining area;

(g) sanitary arrangements required;

(h) sites for parks, playgrounds, stadium, recreation grounds, school buildings, markets, motor vehicle stands, theatres, police stations, post offices, co-operative societies, public urinals and latrines, petrol service stations, hospitals, dispensaries, banks, burial and cremation grounds and sites for public purposes of other kinds.]¹

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

19. Preparation and submission of annual housing programme ¹[and land development programme]¹, budget and establishment schedule.—(1) Before the first day of December in each year, the Board shall prepare and forward,—

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

(i) a programme,

(ii) a budget for the next year,

(iii) a schedule of the staff of officers and servants already employed and to be employed during the next year, to the State Government in such form as may be prescribed.

(2) The programme shall contain,—

(a) such particulars of ¹[housing schemes, land development schemes and labour housing]¹ schemes which the Board proposes to execute whether in part or whole during the next year as may be prescribed;

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

(b) the particulars of any undertaking which the Board proposes to organise or execute during the next year for the purpose of the production of building materials; and

(c) such other particulars as may be prescribed.

(3) The budget shall contain a statement showing the estimated receipts and expenditure on capital and revenue accounts for the next year.

20. Sanction to programme, budget and establishment schedule.—The State Government may sanction the programme, the budget and the schedule of the staff of officers and servants forwarded to it with such modifications as it deems fit.

21. Publication of sanctioned programme.—The State Government shall publish the programme sanctioned by it under section 20 in the official Gazette.

22. Supplementary programme and budget.—The Board may, at any time, during the year, in respect of which a programme has been sanctioned under section 20 submit a supplementary programme and budget and the additional schedule of the staff, if any, to the State Government and the provisions of sections 20 and 21 shall apply to such supplementary programme.

23. Variation of programme by Board after it is sanctioned.—The Board may, at any time, vary any programme or any part thereof included in the programme sanctioned by the State Government:

Provided that no such variation shall be made if it involves an expenditure in excess of ¹[twenty per cent]¹ of the amount as originally sanctioned for the execution of any housing scheme ²[or land development scheme]² included in such programme or affects its scope or purpose.

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

2. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

24. Sanctioned housing schemes ²[and land development schemes]² to be executed.—¹[(1)]¹ After the programme has been sanctioned and published by the State Government under sections 20 and 21, the Board shall, subject to the provisions of section 23, proceed to execute the ³[housing scheme, land development scheme or labour housing scheme]³ included in the programme.

1. Re-numbered by Act 10 of 1974 w.e.f. 3.11.1973.

2. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

3. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

²[(2) The Board shall not execute any ¹[housing scheme, land development scheme or labour housing scheme]¹ unless the same has been sanctioned by the State Government]².

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

2. Inserted by Act 10 of 1974 w.e.f. 3.11.1973.

25. Transfer to the Board for purposes of housing scheme ²[or land development scheme]² of land vested in a corporation, ¹[a municipal council or a mandal panchayat]¹.—(1) Whenever any street, square or other land, or any part thereof, which,—

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

2. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

- (a) is situated in a City and is vested in the municipal corporation of such City, or
- (b) is situated in any part of a municipality constituted under any law relating to municipalities and is vested in the municipal council, municipal committee or other municipal body of that municipality, or
- (c) is situated in any area included within the jurisdiction of a ²[x x x]², town board, sanitary board or ¹[mandal panchayat]¹ constituted under any law relating to ²[x x x]², town boards, sanitary boards, or ¹[mandal panchayats]¹ and is vested in such ²[x x x]², town board, sanitary board or the ¹[mandal panchayat]¹,

is within the area included in the programme sanctioned by the State Government and is required for the purposes of such housing scheme ³[or land development scheme]³, the Board shall give notice accordingly to the corporation, municipal council, municipal committee or municipal body, ²[x x x]², town board, sanitary board or the ¹[mandal panchayat]¹, as the case may be.

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

2. Omitted by Act 8 of 1988 w.e.f. 1.5.1988.

3. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

(2) Where the corporation, municipal council, municipal committee, or municipal body, ²[x x x]², town board, sanitary board or ¹[mandal panchayat]¹ concurs, such street, square or other land or part thereof shall vest in the Board.

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

2. Omitted by Act 8 of 1988 w.e.f. 1.5.1988.

(3) Where there is any dispute, the matter shall be referred to the State Government. The State Government shall, after hearing the corporation, municipal council, municipal committee or municipal body, ²[x x x]², town board or sanitary board or ¹[mandal panchayat]¹ concerned, decide the matter. The decision of the State

Government shall be final. If the State Government decides that such street, square or land shall vest in the Board, it shall vest accordingly.

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

2. Omitted by Act 8 of 1988 w.e.f. 1.5.1988.

(4) Nothing in this section shall affect the rights or powers of the corporation, municipal council, municipal committee or municipal body, ²[x x x]² town board, sanitary board or ¹[mandal panchayat]¹ in or over any drain or water work in such street, square or land.

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

2. Omitted by Act 8 of 1988 w.e.f. 1.5.1988.

26. Compensation in respect of land vested in the Board.—(1) Where any land vests in the Board under the provisions of section 25 and the Board makes a declaration that such land shall be retained by the Board only until it reverts in the corporation, the municipal council, municipal committee, or municipal body, the ²[x x x]², town board, sanitary board, or the ¹[mandal panchayat]¹ as the case may be, as part of a street or an open space under section 29, no compensation shall be payable by the Board to the corporation, the municipal council, municipal committee, or municipal body, the ²[x x x]², town board, sanitary board, or the ¹[mandal panchayat]¹ in respect of that land.

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

2. Omitted by Act 8 of 1988 w.e.f. 1.5.1988.

(2) Where any land vests in the Board under section 25 and no declaration is made under sub-section (1) in respect of the land, the Board shall pay to the corporation, the municipal council, municipal committee or municipal body, ²[x x x]², town board, sanitary board, or ¹[mandal panchayat]¹, as the case may be, as compensation, a sum equal to the value of such land.

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

2. Omitted by Act 8 of 1988 w.e.f. 1.5.1988.

(3) If, in any case where the Board has made a declaration in respect of any land under sub-section (1), the Board retains or disposes of the land contrary to the terms of the declaration so that the land does not revert in the corporation, the municipal council, municipal committee or municipal body, the ²[x x x]², town board, sanitary board, or ¹[mandal panchayat]¹, as the case may be, the Board shall pay to the corporation, the municipal council, municipal committee or municipal body, the ²[x x x]², town board, sanitary board, or the ¹[mandal panchayat]¹, compensation in respect of such land in accordance with the provisions of sub-section (2).

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

2. Omitted by Act 8 of 1988 w.e.f. 1.5.1988.

27. Power of Board to turn or close public street vested in it.—(1) The Board may turn, divert, discontinue the public use of, or permanently close, any public street vested in it or any part thereof.

(2) Whenever the Board discontinues the public use of, or permanently closes, any public street vested in it or any part thereof, it shall, as far as practicable, provide some other reasonable means of access to be substituted in lieu of the use, by those entitled, of the street or part thereof and pay reasonable compensation to every person who is entitled, otherwise than as a mere member of the public to use such street or part as a means of access and has suffered damage from such discontinuance or closing.

(3) In determining the compensation payable to any person under sub-section (2), the Board shall make allowance for any benefit accruing to him from the construction, provision or improvement of any other public street at or about the same time that the public street or part thereof, on account of which the compensation is paid is discontinued or closed.

(4) When any public street vested in the Board is permanently closed under sub-section (1), the Board may sell or lease so much of the same as is no longer required.

28. Reference to Tribunal in case of dispute under section 26 or section 27.—If there is any dispute as to whether any compensation is payable under section 26 or section 27 or as to the amount of compensation payable under section 26 or section 27, as the case may be, the matter shall be referred to the Tribunal.

29. Vesting in the corporation, municipal council, municipal committee or other municipal body, ¹[x x x]¹, town board, sanitary board or ²[mandal panchayat]² of streets laid out or altered and open space provided by the Board under housing scheme ³[or land development scheme]³.— (1) Whenever the State Government is satisfied,—

1. Omitted by Act 8 of 1988 w.e.f. 1.5.1988.

2. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

3. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

(a) that any street laid out or altered by the Board has been duly levelled, paved, metalled, flagged, channelled, sewered and drained in the manner provided in the programme sanctioned by the State Government under section 20, and

(b) that such lamps, lamp-posts and other apparatus as the corporation, the municipal council, the municipal committee or other municipal body, the ¹[x x x]¹, town board, sanitary board or ²[mandal panchayat]², as the case may be, considers necessary for the lighting of such streets and as ought to be provided by the Board have been so provided, and

1. Omitted by Act 8 of 1988 w.e.f. 1.5.1988.
2. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

(c) that water and other sanitary convenience have been duly provided in such street, the State Government may declare the street to be a public street, and the street shall thereupon vest in the corporation, municipal council, municipal committee or other municipal body, ¹[x x x]¹, town board, sanitary board or ²[mandal panchayat]², as the case may be.

1. Omitted by Act 8 of 1988 w.e.f. 1.5.1988.
2. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

(2) When any open space for purposes of ventilation or recreation has been provided by the Board in executing any housing scheme ¹[or land development scheme]¹, it shall on completion be transferred to the local authority concerned, by resolution of the Board, and shall thereupon vest in, and be maintained at the expense of, the local authority.

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

(3) If any difference of opinion arises between the Board and the corporation, municipal council, municipal committee or other municipal body, ¹[x x x]¹, town board, sanitary board or ²[mandal panchayat]², in respect of any matter referred to in the foregoing provisions of this section, the matter shall be referred to the State Government whose decision shall be final.

1. Omitted by Act 8 of 1988 w.e.f. 1.5.1988.
2. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

30. Other duties of the Board.—It shall be the duty of the Board to take measures with a view to expediting and cheapening construction of buildings and the Board may for that purpose do all things for,—

- (a) unification, simplification and standardisation of building materials;
- (b) encouraging prefabrication and mass production of house components;
- (c) organising or undertaking the production of building materials required for the housing schemes;
- (d) encouraging research for discovering cheap building materials and evolving new methods of economic construction;
- (e) securing a steady and sufficient supply of workmen trained in the work of construction of buildings.

31. Reconstitution of plots.—A ¹[housing scheme, land development scheme or a labour housing scheme]¹ may provide—

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

(a) for the formation of a reconstituted plot by the alteration of the boundaries of an original plot;

(b) with the consent of the owners that two or more original plots each of which is held in ownership in severalty or in joint ownership shall, with or without alteration of boundaries, be held in ownership in common as a reconstituted plot; and

(c) for the allotment of a plot to any owner dispossessed of land in furtherance of the housing scheme 1[or land development scheme]¹.

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

32. Schemes entrusted to Board by Government, etc.—(1) The provisions of sections 18 to 24 (both inclusive) shall not be applicable to any ¹[housing scheme, land development scheme or labour housing scheme]¹ entrusted to the Board by the State Government except to such extent and subject to such modifications as may be specified in any general or special order made by the State Government, and every such order shall be published in the official Gazette.

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

(2) Notwithstanding anything contained in this Act, the Board shall not be competent to carry on any trading or financing activity for profit, whether in the execution of any scheme undertaken by, or entrusted to it, or otherwise.

¹[32A. Board and the Housing Commissioner to exercise powers and functions under the Karnataka Acts 22 of 1964, 14 of 1977 and 20 of 1985.—(1) In any area or part thereof to which this Act applies, the State Government may, by notification, declare that from such date and for such period as may be specified therein and subject to such restrictions and modifications, if any, as may be specified in the notification,—

(i) the power and functions of the Corporation, Municipal Council or a Mandal Panchayat or a standing committee thereof, under the Karnataka Municipalities Act, 1964, Karnataka Municipal Corporations Act, 1976 and the Karnataka Zilla Parishads, Taluk Panchayat Samithis, Mandal Panchayats and Nyaya Panchayats Act, 1983, shall be exercised and discharged by the Board; and

(ii) The powers and functions of the Commissioner of the Corporation, the Municipal Commissioner, Chief Officer of the Municipal Council or the Secretary of the Mandal Panchayat, as the case may be, shall be exercised and discharged by the Housing Commissioner;

Provided that the Corporation, the Municipal Council or the Mandal Panchayat concerned shall be consulted before the making of such declaration, if such area or part thereof lies within the limits of a city, a city or a town municipality or a mandal.

(2) On the making of the declaration under sub-section (1), notwithstanding anything contained in any other law for the time being in force, the Corporation, the

Municipal Council or the Mandal Panchayat or any standing committee thereof or the Commissioner of the Corporation, the Municipal Commissioner or Chief Officer of the Municipal Council or the Secretary of the Mandal Panchayat shall not be competent to exercise and discharge the powers or functions conferred or imposed on the Board or the Housing Commissioner as the case may be, by such declaration.

(3) The Board or the Housing Commissioner may delegate any of the powers exercisable and functions that may be discharged by it or him under sub-section (1) to any officer or servant of the Board.

(4) The exercise or discharge of any of the powers or functions delegated under sub-section (3) shall be subject to such limitations, conditions and control, as may be laid down by the Board or the Housing Commissioner, as the case may be.]¹

1. Section 32A inserted by Act 8 of 1988 w.e.f. 1.5.1988.

CHAPTER IV

ACQUISITION AND DISPOSAL OF LAND

33. Power to purchase or lease by agreement.—(1) The Board may enter into an agreement with any person for the acquisition from him by purchase, lease or exchange, of any land which is needed for the purposes of a housing scheme ¹[or land development scheme]¹ or any interest in such land or for compensating the owners of any such right in respect of any deprivation thereof or interference therewith:

Provided that the previous approval of the State Government shall be obtained in case of purchase or exchange involving land worth more than rupees ²[ten lakhs]² or lease for more than five years.

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

2. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

(2) The Board may also take steps for the compulsory acquisition of any land or any interest therein required for the execution of a housing scheme ¹[or land development scheme]¹ in the manner provided in the Land Acquisition Act, 1894, as modified by this Act and the acquisition of any land or any interest therein for the purposes of this Act shall be deemed to be acquisition for a public purpose within the meaning of the Land Acquisition Act, 1894.

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

34. Betterment charges.—(1) When by the making of a housing scheme ¹[or land development scheme]¹ any land in the area comprised in the scheme will in the opinion of the Board be increased in value, the Board in framing the scheme may declare that betterment charges shall be payable by the owner of the land or any person having an interest therein in respect of the increase in value of the land from the execution of the scheme.

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

(2) Such increase in value shall be the amount by which the value of the land on the completion of the execution of the scheme estimated as if the land were clear of the buildings exceeds the value of the land prior to the execution of the scheme estimated in like manner and the betterment charges shall be one-half of such increase in value.

(3) Such betterment charges shall also be leviable in respect of any land not comprised in the scheme but adjacent to the area comprised in the scheme.

(4) Notwithstanding anything contained in sub-sections (1) and (3), in respect of any land used for agricultural purposes at the time of the execution of the schemes the betterment charges shall be leviable by the Board in accordance with such procedure as may be prescribed, only after such land is used, or converted for use, for non-agricultural purposes.

35. Notice to persons liable for betterment charges.—(1) The Board shall give notice in the prescribed form to any person who is the owner of or has interest in the land in respect of which the betterment charges are to be levied and shall give such person an opportunity to be heard.

(2) After hearing such person or if such person fails to appear after the expiry of the period within which such person is required to appear before the Board, the Board shall proceed to assess the amount of betterment charges.

(3) Where the assessment of betterment charges proposed by the Board is accepted by the person concerned within the period prescribed, the assessment shall be final.

(4) If the person concerned does not accept the assessment proposed by the Board, the matter shall be referred to the Tribunal.

(5) The Tribunal shall, after holding an inquiry and after hearing the person concerned, assess the amount of the betterment charges payable by the person.

36. Agreement for payment of betterment charges.—(1) Any person liable to pay betterment charges in respect of any land may at his option, instead of paying the same to the Board, execute an agreement with the Board to leave the payment outstanding as a charge on his interest in the land, subject to the payment in perpetuity of interest at such rate as may be prescribed.

(2) Every payment due from any person in respect of betterment charges and every charge referred to in sub-section (1) shall, notwithstanding anything contained in any other enactment and notwithstanding the execution of any mortgage or charge, created either before or after the commencement of this Act be the first charge upon the interest of such person in such land.

37. Recovery of betterment charges.—All sums payable in respect of any land by any person in respect of betterment charges under section 34 or by any person under an agreement under section 36 shall be recoverable on behalf of the Board as an arrear of land revenue.

38. Power to dispose of land.—Subject to any rules made by the State Government under this Act, the Board may retain, lease, sell, exchange or otherwise dispose of, any land, building or other property vesting in it and situate in the area comprised in any housing scheme ¹[or land development scheme]¹ sanctioned under this Act.

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

39. Disputes regarding reconstitution of plots.—(1) Where by the making of a housing scheme ¹[or a land development scheme]¹, any plots comprised in the area included in the scheme are reconstituted or any person is dispossessed, the Board shall after making such inquiry as it thinks fit award to the person affected by such reconstitution or dispossession such compensation as it deems reasonable. If the person is dissatisfied with the decision of the Board in the matter, he may inform the Board accordingly. The Board shall thereupon refer the matter to the Tribunal.

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

(2) The Tribunal shall then after making an inquiry determine the amount of compensation and direct the Board to pay the same to the person entitled.

CHAPTER V TRIBUNAL

40. Tribunal.—The Tribunal shall be the District Judge having jurisdiction in the area concerned.

41. Duties of the Tribunal.—The Tribunal shall,—

- (a) decide whether any compensation is payable under section 26;
- (b) decide the amount of compensation in matters referred to it under section 28;
- (c) decide disputes relating to betterment charges referred to it under section 35;
- (d) decide disputes and the amount of compensation to be awarded under section 39; and
- (e) decide such other matters as may be prescribed by the rules made in this behalf.

42. Powers of and procedure before Tribunal.—(1) In making enquiries the Tribunal shall have and exercise, as far as may be, the same powers and follow the same procedure as under the Code of Civil Procedure, 1908.

(2) Every order made by the Tribunal for the payment of money and for the delivery of the possession or removal of any structure shall be enforced by the District Court as if it were the decree of the said Court.

(3) The proceedings before the Tribunal shall be deemed to be judicial proceedings within the meaning of sections 193 and 228 of Indian Penal Code.

43. Decision of Tribunal to be final.—The decision of the Tribunal on any matter referred to it under this Act shall, subject to the provision of section 44, be final.

44. Appeal to the High Court.—The Board or any person aggrieved by a decision of the Tribunal may within three months from the date of the decision, or such further time as the High Court may for sufficient cause allow, appeal to the High Court and the High Court shall pass such orders on the appeal as it thinks fit.

CHAPTER VI

POWER TO EVICT PERSONS FROM BOARD PREMISES.

45. Power to evict certain persons from Board premises.—(1) If the competent authority is satisfied,—

(a) that the person authorised to occupy any Board premises has,—

(i) not paid rent lawfully due from him in respect of such premises for a period of more than two months, or

¹[(ia) not paid any of the instalments of loan due from him to the Board in respect of such premises for a period of more than two months from the due date, or]¹

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

(ii) sub-let, without the permission of the Board, the whole or any part of such premises, or

(iii) otherwise acted in contravention of any of the terms, express or implied, under which he is authorised to occupy such premises, or

(b) that any person is in unauthorised occupation of any Board premises,

-the competent authority may, notwithstanding anything contained in any law for the time being in force, by notice served (i) by post, or (ii) by affixing a copy of it on the outer door or some other conspicuous part of such premises, or (iii) in such other manner as may be prescribed, order that person as well as any other person who may be in occupation of the whole or any part of the premises, shall vacate them within one month from the date of the service of the notice:

Provided that no such order shall be passed unless the person has been afforded an opportunity to show cause why such order should not be made.

(2) If any person refuses or fails to comply with an order made under sub-section (1), the competent authority may evict that person from, and take possession of, the premises and may for that purpose use such force as may be necessary.

(3) If a person, who has been ordered to vacate any premises under sub-clause (i) ¹[or (ia)]¹ or (iii) of clause (a) of sub-section (1), within thirty days of the date of service of the notice or such longer time as the competent authority may allow, pays to the Board the rent in arrears ¹[or any instalment of loan in arrears]¹ or carries out or otherwise complies with the terms contravened by him to the satisfaction of the competent authority, as the case may be, the competent authority shall, in lieu of evicting such person under sub-section (2), cancel its order made under sub-section (1) and thereupon such person shall hold the premises on the same terms on which he held them immediately before such notice was served on him.

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

46. Power to recover ²[rent, damages, instalments of loan or other dues]² as arrears of land revenue.—(1) Subject to any rules made by the State Government in this behalf and without prejudice to the provisions of section 45, where any person is in arrears of rent payable in respect of any Board premises ¹[or any arrears of instalment of loan or other dues payable to the Board]¹, the competent authority may, by notice served (i) by post, or (ii) by affixing a copy of it on the outer door or some other conspicuous part of such premises, or (iii) in such other manner as may be prescribed, order that person to pay the same within such time not being less than thirty days as may be specified in the notice. If such person refuses or fails to pay the arrears of rent ¹[or arrears of instalments of loan or other dues]¹ within the time specified in the notice, such arrears may be recovered as arrears of land revenue ¹[or by distraint and sale of movable property of the defaulter, by such officer, in such manner and in accordance with such procedure as may be prescribed]¹.

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

2. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

(2) Where any person is in unauthorised occupation of any Board premises, the competent authority may, in the prescribed manner, assess such damages on account of the use and occupation of the premises as it may deem fit, and may by notice served (i) by post, or (ii) by affixing a copy of it on the outer door or some other conspicuous part of such premises, or (iii) in such other manner as may be prescribed, order that person to pay the damages within such time as may be specified in the notice. If any person refuses or fails to pay the damages within the time specified in the notice, the damages may be recovered from him as arrears of land revenue.

47. Rent to be recovered by deductions from salary or wages in certain cases.—(1) Without prejudice to the provisions of section 45 any person who is an employee of the State Government or a local authority and who has been allotted any Board premises, may execute an agreement in favour of the State Government

providing that the State Government or the local authority, as the case may be, under or by whom he is employed, shall be competent to deduct from the salary or wages payable to him such amount as may be specified in the agreement and to pay the amount so deducted to the Board in satisfaction of the rent due by him in respect of the Board premises allotted to him.

(2) On the execution of such agreement, the State Government or local authority, as the case may be, shall, if so required by the Board by requisition in writing, make the deduction of the amount specified in the requisition from the salary or wages of the employees specified in the requisition in accordance with the agreement and pay the amount so deducted to the Board.

48. Appeal.—(1) Any person aggrieved by an order of the competent authority under section 45 or section 46, may, within thirty days from the date of the service of the notice under section 45 or section 46, as the case may be, prefer an appeal to the District Judge of the District in which the premises of the Board are situated or such other judicial officer in that District of not less than ten years' standing as the State Government may designate in this behalf:

Provided that the appellate officer may entertain the appeal after the expiry of the said period of thirty days, if he is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(2) Where an appeal is preferred under sub-section (1), the appellate officer may stay the enforcement of the order of the competent authority for such period and on such conditions as he deems fit.

(3) Every appeal under this section shall be disposed of by the appellate officer as expeditiously as possible.

49. Finality of orders.—Save as otherwise expressly provided in this Act, every order made by a competent authority or appellate officer under this Chapter shall be final and shall not be called in question in any original suit, application or execution proceedings.

CHAPTER VII

FINANCE, ACCOUNTS AND AUDIT

50. Board's fund.—(1) The Board shall have a fund called the Housing Board Fund.

(2) The Board may accept grants, subventions, donations and gifts from the Central Government or State Government or a local authority or any individual or body, whether incorporated or not, for all or any of the purposes of this Act.

¹[(3) x x x]¹

1. Omitted by Act 8 of 1988 w.e.f. 1.5.1988.

(4) All moneys received by or on behalf of the Board by virtue of this Act, all proceeds of land or any other kind of property sold by the Board, all rents, and all interest, profits and other moneys accruing to the Board, shall constitute the Housing Board Fund.

(5) Except as otherwise directed by the State Government, all moneys and receipts specified in the foregoing provisions and forming part of the fund of the Board shall be deposited in the Reserve Bank of India or in any Scheduled Bank or invested in such securities as may be approved by the State Government.

¹[(6) x x x]¹

1. Omitted by Act 10 of 1974 w.e.f. 3.11.1973.

Explanation.—For the purposes of this section, the Reserve Bank of India shall mean the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934, and a Scheduled Bank shall mean a bank included in the Second Schedule to the said Act.

51. Application of the fund.—All property, the Housing Board Fund, and all other assets vesting in the Board shall be held and applied by it, subject to the provisions and for the purposes of this Act.

52. Expenditure in case of urgency, etc.—(1) Where in the opinion of the Board circumstances of extreme urgency have arisen, it shall be lawful for the Board to make for the purposes of this Act in any year, expenditure not exceeding ¹[rupees one lakh]¹, notwithstanding the fact that such expenditure has not been included in its annual programme or supplementary programme sanctioned by the State Government or the variation of the programme made under section 23.

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

(2) Where any sum is expended under circumstances of extreme urgency as provided in sub-section (1), a report thereof indicating the source from which it is proposed to meet the expenditure shall be made by the Board as soon as practicable to the State Government.

(3) The Board may, within the budget sanctioned by the State Government, approve appropriations not exceeding ¹[rupees one lakh]¹ from one sub-head to another and from one minor head to another under the same major head and submit a statement of such reappropriations to the State Government.

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

53. Subventions and loans to the Board.—(1) The State Government may from time to time make subventions to the Board for the purposes of this Act on such terms and conditions as the State Government may determine.

(2) The State Government may from time to time advance loans to the Board on such terms and conditions not inconsistent with the provisions of this Act as the State Government may determine.

54. Power of Board to borrow.—¹[(1) Subject to the provisions of the Act and to such conditions as may be prescribed, the Board may from time to time borrow money required to carry out the purpose of this Act from any Scheduled Bank or a Corporation owned or controlled by the Government of India or the State Government]¹.

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

(2) The rules made by the State Government for the purposes of this section may empower the Board to borrow by the issue of debentures and to make arrangements with bankers.

(3) All debentures issued by the Board shall be in such form as the Board, with the sanction of the State Government may from time to time determine.

(4) Every debenture shall be signed by the Chairman and one other member of the Board.

(5) Loans borrowed and debentures issued under this section may be guaranteed by the State Government as to the repayment of principal and the payment of interest at such rate as may be fixed by the State Government.

¹[(6) The Board shall be competent to mortgage by way of security any of its properties for loan obtained from the Housing and Urban Development Corporation, New Delhi or from any Scheduled Bank or from any other recognised Housing Financial Institutions.]¹

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

¹[54A. Mode of repaying loan.—Every loan obtained by the Board shall be repaid within the period and in the manner agreed upon by the Board,—

(a) from a sinking fund established for the purpose under section 54B; or

(b) from money borrowed for the purpose; or

(c) partly from the sinking fund established under section 54B and partly from the money borrowed for the purpose.

54B. Establishment of a sinking fund.—(1) The Board may establish a sinking fund for the purpose of repayment of loans borrowed by it.

(2) The amounts to be paid into the sinking fund and the mode of payment shall be as may be prescribed.

(3) All moneys paid into the sinking fund shall be invested in Government securities or fixed deposits with Scheduled Bank]¹.

1. Sections 54A and 54B Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

55. Account and audit.—(1) The Board shall cause to be maintained proper books of accounts and such other books as the rules under this Act may require and shall prepare in accordance with such rules an annual statement of accounts.

(2) The Board shall cause its accounts to be audited annually by such persons as the State Government may direct.

(3) As soon as the accounts of the Board have been audited, the Board shall send a copy thereof together with a copy of the report of the auditor thereon to the State Government; and shall cause the accounts to be published in the prescribed manner and place copies thereof on sale at a reasonable price. ¹[The audited accounts and the report shall be laid before each House of the State Legislature, as soon as may be after they are received by the State Government.]¹

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

(4) The Board shall comply with such directions as the State Government may after perusal of the report of the auditor think fit to issue.

56. Concurrent and special audits of accounts.— (1) Notwithstanding anything contained in section 55, the State Government may order that there shall be concurrent audit of the accounts of the Board by such person as it thinks fit. The State Government may also direct a special audit to be made by a Chartered Accountant appointed by it of the accounts of the Board relating to any particular transaction or a class or series of transactions or to a particular period.

(2) When an order is made under sub-section (1), the Board shall present or cause to be presented for audit such accounts and shall furnish to the person appointed under sub-section (1) such information as the said person may require for the purpose of audit.

CHAPTER VIII LABOUR HOUSING

57. Interpretation.—(1) For the purposes of this Chapter,—

(a) 'employee' means any person who is employed for hire or reward to do any work skilled or unskilled, manual or clerical, in any factory as defined in the Factories Act, 1948, or in any mine as defined in the Mines Act, 1952, or in any textile mill, or in any iron and steel works, or in any tobacco manufactory; and also includes any person declared by notification by the State Government to be an employee for the purposes of this Chapter;

(b) 'employer' means any person who employs whether directly or through another person, or whether on behalf of himself or any other person, one or more employees, and includes,—

(i) in a factory, the owner or occupier of the factory and includes the managing agent of such owner or occupier, the legal representative of a deceased owner or occupier and where a person has been named as a manager of the factory under clause (f) of sub-section (1) of section 7 of the Factories Act, 1948, the person so named;

(ii) in any employment under any local authority, the person appointed by such authority for the supervision and control of employees or where no person is appointed, the chief executive officer of the local authority;

(iii) in any other case, any person responsible for the supervision and control of the establishment;

(c) 'wages' shall have the same meaning as in the Payment of Wages Act, 1936;

(d) 'working class' includes mechanics, artisans, labourers and others working for wages, hawkers, persons not working for wages but working at some trade or handicraft without employing others, except members of their own family and persons other than domestic servants whose income in any case does not exceed on an average one hundred and twenty-five rupees a month, and the families of any such persons who may be residing with them.

(2) In determining for the purposes of this Chapter, whether a house is fit for human habitation, regard shall be had to the extent, if any, to which by reason of disrepair or sanitary defects, the house falls short of any municipal bye-laws or laws in operation in the area in which such house is situated, or of any other provision of law for the time being in force in such area dealing with the construction and drainage of new buildings and the laying out and the construction of new streets or of general standard of housing accommodation for working classes in such area.

58. Duty of the Board to undertake labour housing schemes.—(1) It shall be the duty of the Board to provide for the welfare of labour by providing proper houses for employees as near as possible to their place of work of such types and designs in accordance with such schemes as the State Government may approve.

(2) The Board may, in addition to preparing and carrying out schemes for the provision of suitable housing accommodation for employees, promote measures directed towards,—

- (i) the provision of gardens, playgrounds and recreational facilities;
- (ii) the improvement of public health and sanitation;
- (iii) provision of water supplies and facilities for washing;
- (iv) the provision of transport to and from work;

and may incur in respect of such measures expenditure from the fund of the Board within such limits as may be prescribed by the State Government.

59. Provisions regarding housing accommodation.—(1) The occupation by any employee of any housing accommodation provided by the Board shall be subject to compliance by that person at all times with such conditions relating to his occupation of such accommodation as may be prescribed.

(2) Before any person occupies any such accommodation, he shall be furnished with a copy of the conditions referred to in sub-section (1), and if he so desires the said conditions shall be read over to him in a language which he understands; and the Board shall cause to be published in such manner as it thinks best adapted for informing the persons concerned any changes which may from time to time be made in the said conditions.

(3) If in the opinion of the Board any person in occupation of any such accommodation fails or ceases to comply with any of the conditions referred to in sub-section (1) it may, by notice in writing, require him to vacate the accommodation on or before such date, not being less than thirty days after the service of the notice; and the occupation of such accommodation by such person or any dependent of his after the date so specified shall be unlawful and such person or dependent may be evicted accordingly from such accommodation in accordance with the provisions of Chapter VI.

(4) There shall be payable in respect of the occupation of any such accommodation as aforesaid rent at such rate as may be prescribed taking into consideration,-

- (i) the cost of construction of the accommodation, and
- (ii) the cost of maintenance of the accommodation.

(5) (i) All rent payable in respect of the occupation of such accommodation as aforesaid shall in the first instance be paid by the employer of the employee occupying the accommodation.

(ii) Notwithstanding anything contained in any other enactment but subject to the provisions of any regulations, if any, under this Act, the employer shall be entitled to recover the rent paid by him under clause (i) by deductions from the wages of the employee concerned, and not otherwise.

60. Housing accommodation to be in good habitable condition.—(1) It shall be the duty of the Board to keep the housing accommodation under its control in a good habitable condition.

(2) Where the State Government or any local authority or any court notified by the State Government in this behalf, upon consideration of any representation or of a report from any of its officers or other information received by it, is satisfied that any housing accommodation under the control of the Board is in any respect not in a good habitable condition, it may, unless it is satisfied that it is not capable at a reasonable expense of being brought to a habitable condition, serve upon the Board a notice

requiring it, within such reasonable time, not being less than twenty-one days as may be specified in the notice, to execute the works specified in the notice, and stating that in the opinion of the State Government, the local authority or the court, as the case may be, those works will bring the house to a good habitable condition.

(3) (a) The Board may, within twenty-one days of the service of the notice under sub-section (2) by a local authority or a court, appeal to the State Government or where the notice is served by the State Government apply to it for a review and no proceedings shall be taken by the State Government or the local authority or the court, as the case may be, to enforce the notice before the appeal or the application for review, as the case may be, has been finally determined.

(b) The State Government may, on such appeal or application for review, make an order either confirming or quashing or varying the notice, and such order of the State Government shall be final and conclusive.

(4) If a notice served on the Board under sub-section (1) is not complied with, then, after the expiration of the time specified in the notice or, if an appeal or an application for review has been made against the notice and upon that appeal or application for review the notice has been confirmed with or without variation, after the expiration of twenty-one days from the final determination of the appeal or application for review, or of such longer period as the State Government, in determining the appeal or application for review, may fix, the State Government or the local authority or the court, as the case may be, may itself cause the work required by the notice, or by the notice as varied by the State Government, to be done.

(5) Any expenses incurred by the State Government or a local authority or a court under sub-section (4), together with interest at six percent per annum, from the date when a demand for the expenses is served until payment, may be recovered from the Board summarily as if the notice of demand were a decree of a civil court, and any civil court of competent jurisdiction shall execute such notice of demand as if it were a decree of such court.

61. Duty of the Board to inspect working class houses.—It shall be the duty of the Board to cause an inspection to be made from time to time of houses occupied by working class people and the areas in which such houses are located with a view to ascertaining whether such houses are fit for human habitation and whether such areas are maintained in a proper condition so as to ensure the safety, health and well-being of working class people.

62. Powers of the Board in respect of houses occupied by working class people.—The Board may exercise the powers and perform the functions of a local authority in accordance with the provisions of section 60 in respect of houses occupied by working class people of which any person other than the Board is the

owner, and the provisions of the said section shall thereupon apply to such houses as if the Board were a local authority and the owner of such houses were the Board.

63. Power of the Board to acquire insanitary houses, etc.—(1) If the Board is satisfied that any house occupied by working class people is unfit for human habitation and not capable at a reasonable expense of being rendered so fit or that in any of the cities or towns which the State Government may, by notification specify, any area contains fifty or more working class houses and at least one-third of the working class houses in such area are overcrowded or unfit for human habitation and not capable at a reasonable expense of being rendered so fit or so arranged as to be uncongested, the Board may, with the sanction of the State Government, acquire such house or such area and take action as hereinafter provided.

(2) The Board may, subject to the sanction of the State Government, demolish and reconstruct any house acquired under sub-section (1) and may, subject to a like sanction, demolish and reconstruct houses in any area acquired under sub-section (1) or otherwise layout and use the area for providing any amenities for employees as the State Government may approve.

64. Compensation for house unfit for human habitation.—Where any land is acquired by the Board under sub-section (1) of section 63, the compensation payable in respect thereof shall be determined in accordance with the Land Acquisition Act, 1894, subject to the condition that the compensation to be paid for a house unfit for human habitation and not capable at reasonable expense of being rendered so fit, shall be the value of the land as a site cleared of the building.

65. Maintenance of public streets by the Board.—(1) Where in connection with housing operations of the Board, new buildings are constructed or existing buildings reconstructed or public streets and roads are laid out and constructed or reconstructed in accordance with plans and specifications approved by the State Government, the provisions of any municipal or other law relating to buildings or roads shall not, so far as they are inconsistent with the plans and specifications so approved, apply to those buildings and streets, and notwithstanding the provision of any other Act, any public street or road laid out and constructed in accordance with those plans and specifications may be maintained by the Board.

(2) In respect of the Cities of Bangalore, Mysore and such other areas as may be notified by State Government, the State Government shall not approve for the purposes of sub-section (1) any plans and specifications inconsistent with the provisions of any law relating to buildings or roads in force in the cities of Bangalore, Mysore and such other areas as may be notified by State Government except after consultations with the municipal authorities for the cities and areas on the general question of the relaxation of such provisions in connection with housing operations.

66. Conditions relating to housing accommodation provided by employers.—Notwithstanding any provision of law for the time being in force, if any employer has provided housing accommodation for his employees, such employer and employees shall comply with such provisions as may be prescribed regulating, (i) the occupation of such accommodation, (ii) the rents payable for such occupation, (iii) the proper maintenance of such accommodation, (iv) the rights and liabilities of the employer and the employees in respect of such accommodation, and (v) the circumstances in which such employees can be evicted from such accommodation.

67. Conditions relating to housing accommodation provided by employers after commencement of Act.—Save as otherwise provided by this Act, after the commencement of this Act, where any employer provides housing accommodation for his employees, such housing accommodation shall comply, and be in accordance, with such conditions and provisions as may be prescribed.

68. Rent payable by employer recoverable as arrear of land revenue.—If any employer fails or neglects to pay any rent which under this Act he is liable to pay, the amount so payable may be recovered as if it were an arrear of land revenue.

CHAPTER IX MISCELLANEOUS

69. Reports.—The Board shall, before such date and in such form and at such intervals as may be prescribed, submit to the State Government a report on such matters as may be prescribed, and the State Government shall cause such report to be published in the Official Gazette. Every such report which shall include cases where the opinion of the Public Service Commission has not been accepted under the second proviso to sub-section (4) of section 10, shall be laid before each House of the State Legislature, as soon as may be, after it is published.

70. Other statements and returns.—The Board shall also submit to the State Government such statistics, returns, particulars or statements in regard to any proposed or existing ¹[housing schemes, land development schemes or labour housing schemes]¹ at such times and in such form and manner as may be prescribed or as the State Government may from time to time direct.

1. Substituted by Act 8 of 1988 w.e.f. 1.5.1988.

¹[70A. Housing Commissioner to furnish returns and reports etc., to the State Government.—The Housing Commissioner shall furnish to the State Government such reports and returns at such intervals as the State Government may by order direct.

70B. Power of Board to require returns, reports, production of documents, etc.—(1) The Board may require the Housing Commissioner to furnish it with,—

(a) any return, statement, estimate, statistics or other information regarding any matter pertaining to the administration of this Act;

(b) a report on any such matter; and

(c) a copy of any document in his charge.

(2) The Housing Commissioner shall comply with every requisition without unreasonable delay.]¹

1. Sections 70A and 70B Inserted by Act 10 of 1974 w.e.f. 3.11.1973.

71. Power of entry.—¹[The Housing Commissioner or any person either generally or specially authorised by him or the Board]¹ in this behalf may, with or without assistants or workmen, enter into or upon any land, in order,—

1. Substituted by Act 10 of 1974 w.e.f. 3.11.1973.

(a) to make any inspection, survey measurement, valuation inquiry;

(b) to take levels;

(c) to dig or bore into the sub-soil;

(d) to set boundaries and intended lines of work;

(e) to make such levels, boundaries and lines of works and cutting trenches; or

(f) to do any other thing;

whenever it is necessary to do so, for any of the purposes of this Act or any rules made or scheme sanctioned thereunder:

Provided that,—

(i) no such entry shall be made between sunset and sunrise;

(ii) no dwelling house and no public building which is used as a dwelling place, shall be so entered, except with the consent of the occupier thereof, and without giving the said occupier at least twenty-four hours' previous written notice of the intention to make such entry;

(iii) sufficient notice shall in every instance be given, even when any premises may otherwise be entered without notice, to enable the inmates of any apartment occupied by women to remove themselves to some part of the premises where their privacy will not be disturbed;

(iv) due regard shall always be had, so far as may be compatible with the exigencies of the purposes for which the entry is made, to the social and religious usages of the occupants of the premises entered.

72. Notice of suit against Board.—No person shall commence any suit against the Board ¹[,Housing Commissioner, Chief Engineer, Secretary]¹ or against any officer or servant of the Board or any person acting under the orders of the Board, for anything done or purporting to be done in pursuance of this Act, without giving to the

Board ¹[Housing Commissioner, Chief Engineer, Secretary]¹ officer or servant or person concerned two months' previous notice in writing of the intended suit and of the cause thereof, nor after six months from the date of the act complained of.

1. Inserted by Act 10 of 1974 w.e.f. 3.11.1973.

73. Triennial valuation of assets and liabilities of the Board.—The Board shall triennially have a valuation of its assets and liabilities made by a valuer appointed with the approval of the State Government:

Provided that it shall be open to the State Government to direct a valuation to be made at any time it may consider necessary.

74. Power to make rules.—(1) The State Government may, by notification and subject to the condition of previous publication, make rules for carrying out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may be made for all or any of the following purposes, namely:—

(a) the allowances ¹[of the Chairman and other members]¹ and remuneration and conditions of service under section 6;

1. Substituted by Act 10 of 1974 w.e.f. 3.11.1973.

(b) the manner and form in which contracts shall be entered into under section 15;

(c) the form of annual housing programme, ¹[and land development programme]¹ budget and schedule of staff of officers and servants, particulars of housing schemes ¹[or land development schemes]¹ and other particulars to be contained in the programme under section 19;

1. Inserted by Act 8 of 1988 w.e.f. 1.5.1988.

(d) the form of notice under section 35;

(e) the rate of interest under section 36;

(f) other matters to be decided by the Tribunal under section 41;

(g) the forms of notice under sections 45 and 46 and any other manner in which they may be served;

(h) the procedure to be followed in taking possession of any Board premises under section 45;

(i) the manner in which damages under section 46 may be assessed;

(j) the manner in which appeals may be preferred under section 48 and the procedure to be followed in such appeals;

(k) the conditions subject to which the Board may borrow any sum under section 54;

(l) the manner of preparation, maintenance and publication of accounts under section 55;

(m) the date before which, the form in which, the interval at which and the matters on which reports shall be submitted under section 69;

(n) the time at which and the form and manner in which statistics, returns, particulars and statements shall be submitted under section 70;

(o) the manner in which the Board shall be superseded and reconstituted under section 86;

(p) specifying the bye-laws contravention of any of which shall be an offence; and

(q) any other matter which is to be or may be prescribed under this Act.

75. Rules and Notifications to be laid before the State Legislature.—Every rule made under this Act and every notification issued under section 88 shall be laid as soon as may be after it is made or issued, before each House of the State Legislature while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if, before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or notification or both Houses agree that the rule or notification should not be made or issued, the notification or the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything done under that rule or notification.

76. Regulations.—The Board may from time to time with the previous sanction of the State Government, by notification, make regulations consistent with this Act and with any rules made under this Act,—

(a) for the management and use of buildings constructed under any housing scheme;

(b) the principles to be followed in allotment of tenements and premises;

(c) for regulating its procedure and the disposal of its business.

77. Power to make bye-laws.—(1) The Board may make bye-laws, not inconsistent with this Act and the rules and regulations, which may be necessary or expedient for the purpose of carrying out its duties and functions under this Act.

(2) No bye-law made by the Board shall come into force until it has been confirmed by the State Government with or without modification.

(3) All bye-laws made under this section shall be published in the official gazette.

78. Penalty for contravention of bye-laws.—Whoever contravenes a bye-law made under section 77 the contravention of which is prescribed as an offence shall, on

made under section 77 the contravention of which is prescribed as an offence shall, on conviction, be punished with imprisonment for a term which may extend to one month or with fine which may extend to five hundred rupees or with both.

79. Penalty for obstructing, etc.—If any person,—

(a) obstructs any person with whom the Board has entered into a contract, in the performance or execution by such person of his duty or of anything which he is empowered or required to do under this Act, or

(b) removes any mark set up for the purpose of indicating any level or direction necessary to the execution of works authorised under this Act,

he shall, on conviction, be punished with imprisonment for a term which may extend to one month or with fine which may extend to five hundred rupees or with both.

80. Authority for prosecution.—Unless otherwise provided, no court shall take cognisance of any offence punishable under this Act except on the complaint of, or upon information received from, the Board or some person authorised by the Board by general or special order in this behalf.

81. Certain persons to be public servants.—The competent authority and all members, officers and servants of the Board shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Act, to be public servants within the meaning of section 21 of the Indian Penal Code.

82. Protection of action taken under this Act.—No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or purported to be done under this Act.

83. Removal of doubt regarding non-applicability of the ¹[Karnataka]¹ Rent Control Act, 1961.—For the removal of doubt, it is hereby declared that the ¹[Karnataka]¹ Rent Control Act, 1961,—

(a) shall not apply to any house belonging to or vesting in the Board under or for the purposes of this Act;

(b) shall not apply as against the Board to any tenancies or other like relationship created by the Board in respect of such house, but

(c) shall apply to any house let to the Board.

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 01.11.1973.

84. Government's power to give directions to Board.—The State Government may give the Board such directions as in its opinion are necessary or expedient for carrying out the purposes of this Act, ¹[x x x]¹, and it shall be the duty of the Board to comply with such directions.

1. Omitted by Act 10 of 1974 w.e.f. 3.11.1973.

¹[85. x x x]¹

1. Omitted by Act 10 of 1974 w.e.f. 3.11.1973.

86. Default in performance of duty.—(1) If the State Government is satisfied that the Board has made default in performing any duty imposed on it by or under this Act, it may fix a period for the performance of that duty.

(2) If in the opinion of the State Government, the Board fails or neglects to perform such duty within the period so fixed for its performance, it shall be lawful for the State Government, notwithstanding anything contained in section 6, to supersede and reconstitute the Board in the prescribed manner.

(3) After the supersession of the Board and until it is reconstituted, the powers, duties and functions of the Board under this Act shall be carried on by the State Government or by such officer or officers as the State Government may appoint for this purpose.

87. Dissolution of the Board.—(1) The State Government may, by notification, declare that with effect from such date as may be specified in the notification, the Board shall be dissolved:

Provided that no such declaration shall be made by the State Government unless a resolution to that effect has been moved in and passed by both Houses of the State Legislature.

(2) With effect from the date specified in the notification under sub-section (1),—

(a) all properties, funds, and dues which are vested in and realisable by the Board shall vest in and be realisable by the State Government;

(b) all liabilities enforceable against the Board shall be enforceable against the State Government to the extent of the properties, funds and dues vested in and realised by the State Government.

(3) Nothing in this section shall affect the liability of the State Government in respect of loans or debentures guaranteed under sub-section (5) of section 54.

¹[87A. Control by the State Government.—(1) The State Government shall have general administrative control and supervision over all the activities and affairs of the Board.

(2) The State Government may call for the records of any proceedings of the Board, the Housing Commissioner or any officer subordinate to the Board, for the purpose of satisfying itself as to the correctness, legality or propriety of such proceedings and may pass such order with respect thereto as it thinks fit.]¹

1. Section 87A inserted by Act 10 of 1974 w.e.f. 3.11.1973.

88. Removal of difficulties.—(1) If any difficulty arises in giving effect to the provisions of this Act, in consequence of the transition to the said provisions from the provisions of the Acts in force immediately before the commencement of this Act, the

State Government may, by notification, make such provisions as appear to it to be necessary or expedient for removing the difficulty.

(2) If any difficulty arises in giving effect to the provisions of this Act (otherwise than in relation to the transition from the provisions of the Acts in force before the commencement of this Act), the State Government may, by notification, make such provisions, not inconsistent with the purposes of this Act, as appear to it to be necessary or expedient for removing the difficulty.

89. Repeal and savings.—From the date of establishment of the Board under this Act,—

(a) the Mysore Housing Board Act, 1955 (Mysore Act XX of 1955); the Mysore Labour Housing Act, 1949 (Mysore Act XXVIII of 1949); the Hyderabad Housing Board Act, 1956 (Hyderabad Act XLVI of 1956); and the Bombay Housing Board Act, 1948 (Bombay Act LXIX of 1948) shall stand repealed;

(b) the properties, rights and liabilities of the Mysore Housing Board established under the Mysore Housing Board Act, 1955, shall vest in the Board and the moneys at the credit of the Board's fund constituted under the said Act, and the moneys at the credit of the Mysore labour Housing Fund constituted under the Mysore Labour Housing Act, 1949, shall stand transferred to the Housing Board Fund constituted under this Act; and

(c) subject to the provisions of the preceding clause, the provisions of sections 6 and 24 of the ¹[Karnataka]¹ General Clauses Act, 1899 (¹[Karnataka]¹ Act III of 1899), shall be applicable in respect of the repeal of the Acts specified in clause (a).

1. Adapted by the Karnataka Adaptations of Laws Order, 1973 w.e.f. 01.11.1973.

* * * * *

NOTIFICATIONS

I

Bangalore, dated the 20th January, 1965 [No. PHS 51 PHB/63(2)]

Subject.—Karnataka Housing Board Act, 1963—Passes orders bringing the Act into force.

S.O. 1930.—In exercise of the powers conferred by sub-section (3) of Section 1 of the Karnataka Housing Board Act, 1962 (Karnataka Act 10 of 1963), the Government of Karnataka hereby appoints the 27th day of January 1965, as the date on which the said Act shall come into force.

By Order and in the name of the Governor of Karnataka,

(K. KHADER MOHIEDDIN)

Under Secretary.

II

Bangalore dated 30th day of April, 1988 [No. HUD 92 KHB 88]

In exercise of the powers conferred by Section 1(2) of the Karnataka Housing Board (Amendment) Act, 1988 (Karnataka Act 8 of 1988) the Government of Karnataka hereby appoint 1st May 1988 as the day on which the Karnataka Housing Board (Amendment) Act 1988 shall come into force.

By Order and in the name of the Governor of Karnataka,

(R. ASWARTHANARAYANA RAO)

*Under Secretary to Government, Housing & Urban
Development Department (H).*

III

Bangalore, dated 28th December 1999 [No DOH 349 KHB 99]

In exercise of the powers conferred by sub-section (2) of section 1 of the Karnataka Housing Board (Amendment) Act, 1988 (Karnataka Act No.13 of 1999), the Government of Karnataka hereby appoint 31st day of December 1999 as the day on which the said Act shall come into force.

By Order and in the name of the Governor of Karnataka,

(D. KRISHNAIAH)

*Under Secretary to Government,
Housing Development.*

* * * * *

सत्यमेव जयते

THE KARNATAKA TOWN AND COUNTRY PLANNING ACT, 1961

ARRANGEMENT OF SECTIONS

Statement of Objects and Reasons

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* * * * *

STATEMENT OF OBJECTS AND REASONS

I

Act 11 of 1963.- With the formation of the New state of Mysore it has become necessary to have a uniform law for the regulation of planned growth of land use and development and for the making and executing of town planning schemes in the State. Physical Planning has to precede economic planning as otherwise cities, towns and villages of our country will grow to unmanageable sizes without proper planning resulting in unhealthy surroundings. Physical planning with co-ordinated effort on a large scale is necessary if the people are to live in a better, healthier and happier environment. The proposed measure is expected to solve the Town Planning problems.

(Obtained from Bill No. LAW 43 LGN 60).

II

Amending Act 14 of 1964.—While communicating the assent of the President to the Mysore Town and Country Planning Bill, 1961, the Government of India have suggested certain amendments to the Act. As regards compensation payable for land

acquired for purposes of the Act, the Government of India have stated that it is not correct to take the market value as on first November, 1956, and have suggested that the value may be the market value as on the date of publication of the Town Improvement Scheme, and where the date of actual acquisition proceeding is after two years from such publication the value may be as on the date two years before the date of issue of notification for acquisition of the land, as also the grant of solatium of fifteen percent in view of the compulsory nature of the acquisition. They have also suggested inclusion of the definition of the expressions agriculture, industry, etc., and amendment of section 6.

For the purpose of expeditious implementation of the Act in rapidly developing areas, it is necessary to establish separate planning authorities. For this purpose suitable provisions have to be made. It is considered desirable to include in the State Act certain other provisions found in the Model Town and Country Planning Act prepared by the Government of India. It is also considered desirable to deal with planning in respect of the Bangalore Metropolitan Area on the basis of the Outline Development Plan prepared by "the Bangalore Metropolitan Planning Board".

Hence this Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 15th October 1963 as No. 6933 at page. 21.)

III

Amending Act 2 of 1968.—The amendments to the City of Bangalore Municipal Corporation Act, 1949 made by Act 10 of 1966 provided only for the appointment of an Administrator. It has been found necessary to make certain other provisions in order to improve the administration of the Corporation. As the Legislature was not in session an Ordinance was issued. The Bill is intended to replace the Ordinance.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 2nd December 1967 as No.270 at page 33)

IV

Amending Act 12 of 1976.—At the conference of the Ministers for Housing and Urban Development held in November 1971, it was agreed that a common Authority for the development of metropolitan cities should be set up.

Bangalore City with its population (as per last census) is a Metropolitan City. Different Authorities like the City of Bangalore Municipal Corporation, the City Improvement Trust Board, the Karnataka Industrial Area Development Board, the Housing Board and the Bangalore City Planning Authority are exercising jurisdiction over the area. Some of the functions of these bodies like development, planning, etc., are overlapping creating thereby avoidable confusion, besides hampering co-ordinated development. It is, therefore, considered necessary to set up a single

authority like the Delhi Development Authority for the city areas adjacent to it which in course of time will become part of the city.

For the speedy implementation of the above said objects as also the 20 point programme and for establishing a co-ordinating Central Authority, urgent action was called for. Moreover the haphazard and irregular growth would continue unless checked by the Development Authority and it may not be possible to rectify or correct mistakes in the future.

It was therefore necessary to issue the measure in the form of an Ordinance.

The Bill seeks to replace the said Ordinance.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 5th February 1976 as No.688 at page.45)

V

Amending Act 39 of 1985.—There is no proper Co-ordination among the local bodies like Bangalore Development Authority, Bangalore Water Supply and Sewerage Board, Karnataka State Road Transport Corporation, Karnataka Electricity Board, Karnataka Slum Clearance Board, Bangalore City Corporation, etc., in the Bangalore Metropolitan Area. It is necessary to Co-ordinate the activities of these bodies by constituting an authority. There is also an urgent need to step up the Authority in view of the growing problems of un-planned Development, Housing, Water Supply, Transport, etc.,

Hence the Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 3rd December 1985 as No.610 at page.19)

VI

Amending Act 34 of 1987.— With a view to speeding up planning and development of land in urban areas in the State, it is felt desirable to have for each urban area a single agency for performing functions both as a Planning Authority and as Development Authority.

Hence, the Bill.

(Obtained from L.A. Bill Bo. 13 of 1987.)

VII

Amending Act 2 of 1991.—The Government has decided to regularise the unauthorised occupation of Government land subject to certain conditions and restrictions and on payment of regularisation charges. Section 94 of the Karnataka Land Revenue Act, 1954 is intended to be amended and Section 94-A is proposed to be introduced to provide for the following:—

- (1) making unauthorised occupation of Government land punishable;
- (2) regularisation of unauthorised occupation of Government land prior to 1-1-1989;
- (3) the maximum extent of unauthorised holding proposed to be regularised to be 2 hectares of 'D' class land or equivalent thereto;
- (4) where such land lies within the limits of a City or a City Municipality, the extent to be regularised shall be such as may be prescribed subject to the maximum extent of 2 hectares;
- (5) the regularisation charges shall be 500 times the assessment of the land;
- (6) the Schedule Castes and Schedule Tribes shall pay only 1/20 of the amount; and
- (7) plantation lands, garden lands and forest lands shall be excluded from regularisation.

Section 95 is also proposed to be amended to ensure that the permission of the Deputy Commissioner shall be obtained for use of agricultural land for non-agricultural purposes notwithstanding anything contained in any law for the time being in force. This amendment is proposed to resolve the ambiguity which has arisen on account of certain judicial pronouncements.

A few incidental and consequential amendments are also made.

Hence the Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 20th November 1990 as No.607 at page.1)

VIII

Amending Act 17 of 1991.—Under the existing provisions of the Karnataka Town and Country Planning Act 1961, the functions of the Member Secretary of the Planning Authority are not specifically mentioned. It is proposed to define such functions clearly. The Member Secretary, is among other things authorised to refer to the State Government resolutions passed by the Planning Authority which contravene the provision of the Act or any other law or rule etc., or any resolution which is prejudicial to the interest of the Planning Authority.

2. The present period of five years within which the Comprehensive Development Plan is to be revised is sought to be enhanced to ten years.

3. The existing provisions of the Karnataka Town and Country Planning Act, 1961 is not very specific about the circumstances under which the change in land use from one purpose to another purpose under the Out Line Development Plan could be permitted. Therefore, it is considered necessary to specify the various circumstances

under which such change of land use could be permitted, by providing specific provisions for this by inserting section 14-A. This new Section also prescribes the modalities of bringing a change in the land use. As a result of the insertion of new Section 14-A, it is also considered necessary to effect certain minor changes in Section 24 and 74 of the Act. For better administration of the Act, a new Section has been added as Sections 76, 'n' and 'o', to provide for power to the State Government to cancel certain resolutions of the Planning Authority and to provide power to the Planning Authority to suspend and revoke licences and permissions etc., under certain circumstances.

3. A few other incidental and consequential provisions have also been made.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 20th March 1991 as No.120 at page.109)

IX

Amending Act 8 of 1994.—It is considered necessary to reduce the existing period of "three months" to "one month" for filing comments on the comprehensive development plan and the Karnataka Town and Country Planning Act, 1961.

Hence the Bill.

(Published in Karnataka Gazette (Extraordinary) Part IV-2A dated 17th January 1994 as No.32 at page.6)

X

Amending Act 18 of 2003.- It is considered necessary to provide for, conservation of the cultural heritage of Hampi with all its archeological remain and natural environs, to ensure sustainable development of Hampi World Heritage Area Management Authority to.-

- (i) prevent uncontrolled development of the heritage area and commercial exploitation of the area;
- (ii) cause carrying out of the works as are contemplated in the development plan;
- (iii) co-ordinate the activities of the local authorities the Urban Development Authorities constituted under the Karnataka Urban Development Authorities Act, 1987, Karnataka Urban Water Supply and Sewerage Board, the Slum Clearance Board, KPTCL, KIADB, KSRTC and such other bodies as are connected with development activities in the Heritage area;
- (iv) take appropriate action to protect the public property within the heritage area;

- (v) promote understanding of and to encourage proper research into the Archeological, historical and environmental values of Hampi World Heritage site;
 - and for the constitution of the Authority Fund, and for matters incidental thereto.

It is also considered necessary consequentially to amend the Karnataka Town and Country Planning Act, 1961 and the Karnataka Public Premises (Eviction of un-authorised occupants) Act, 1974.

Hence the Bill,

(Published in Karnataka Gazette (Extraordinary) Part IV-A dated; 4th June 2003 as No. 589 at Page 10)

VIII

Amending Act 23 of 2004.— It is considered necessary to amend the Karnataka Town and Country Planning Act, 1961, to provide for the following, namely:-

(1) To omit the words "Notified Area Committee, Sanitary Board" as these no more exist in view of the amendment to the Karnataka Municipalities Act, 1964.

(2) To substitute the words "Grama Panchayat" for the words "Mandal Panchayat" to confirm to the changes made in the Karnataka Panchayat Raj Act, 1993.

(3) To empower the State Government to exempt any Board, Authority or Body constituted by or under any law and owned or controlled by the State Government from payment of fee for obtaining permission for change of land use or development of land.

(4) To empower the Planning Authority to permit,-

- (i) additional Floor Area Ratio of 100 per cent for the land handed over free of cost whenever such lands are required for road widening purposes or for formation of new roads.
- (ii) additional Floor Area Ratio up to 100 per cent in case of starred hotels subject to payment of a minimum of fifty per cent and a maximum of 100 per cent of the market value of land equivalent to the Floor Area Ratio permitted.

(5) To recast the provision relating to levy of fee in order to remove ambiguity.

(6) To provide for regularization of buildings constructed deviating from the sanctioned plan subject to payment of such penalty of not more than the market value of such deviated area as may be prescribed.

(7) To provide for levy and collection of surcharge or cess with effect from 19.10.1992 for granting permission for development of Land or building from the owner of such land or building, for supply of water, formation of ring road, slum

improvement and mass rapid transport system at such rate not exceeding one tenth of the market value of land or building.

(8) To provide for forfeiture of building or part thereof to the State Government which have been constructed in deviation of sanctioned plan but not regularized under section 76FF or constructed without obtaining permission or in contravention of any order passed or direction issued by any authority, if the planning authority is of opinion that it is not practicable or advisable to demolish the building and the owner does not agree to pay an amount equivalent to two times the current value of such building or part thereof as a penalty.

(9) To provide for validation of levy and collection of the aforesaid cess and surcharge already collected by the various Development Authorities, Planning authorities and local authorities since 19.10.1992.

Hence the Bill.

(Legislative Council Bill No.10 of 1998)

(Entries 5 and 18 of List II and Entry 20 of List III of Seventh Schedule to the Constitution of India)

IX

Amending Act 1 of 2005.— It is considered necessary to amend the Karnataka Town and Country planning Act, 1961 to provide for,-

- (i) Definition of heritage building and heritage precinct and make regulation for conservation of the same;
- (ii) Replacing the comprehensive development plan and outline development plan by master plan to simplify the procedure;
- (iii) Deemed change of land use from commercial or industrial to residential and from industrial to commercial;

Certain other consequential changes are made.

Hence the Bill.

X

Amending Act 1 of 2007.— It is considered necessary and expedient in public interest to provide for regularisation of certain unauthorised constructions and to define the parameters thereof by amending the Karnataka Town and Country Planning Act, 1961, the Karnataka Municipal Corporations Act, 1976 and the Karnataka Municipalities Act, 1964 in the following manner, namely:-

- (1) to regularise, subject to payment of prescribed fee,-
 - (a) all unauthorised constructions as on the date of passing of the Amendment Act.
 - (b) all violations of change of land user
 - (c) all constructions made on revenue sites

except, developments affecting,-

- (i) alignment of Ring Road, Highways
 - (ii) lands belonging to Government, Local Authorities and Development Authorities, and Parks and Open spaces
 - (iii) Basement floor earmarked as parking space, and
- (2) to prescribe the fee for different types of contravention permitted and
(3) to provide for other consequential and incidental matters.

Hence the Bill.

(L.C.Bill No.11 of 2004)

(Entries 5 and 18 of List II and entry 20 of List III of the Seventh Schedule to the Constitution of India.)

XI

Amending Act 2 of 2007.— It is considered necessary to amend the Town and Country Planning Act, 1961 to provide the benefit of Transfer of Development Rights (TDR) to the land owners who surrender their lands or sites free of cost for any public purpose notified by Government from time to time.

Hence the Bill,

(L.C.Bill No.9 of 2004)

(Entry 5 of List II of the Seventh Schedule to the Constitution of India.)

XII

Amendment Act 06 of 2012.- It is considered necessary to amend the Karnataka Town and Country Planning Act, 1961 (Karnataka act 11 of 1963) to provide a provision to levy and collect a fee of Rs. 1.00 Lakh per acre from the private developers for rejuvenation and development of Lakes in the local planning area with effect from 3rd October 2009 and also to validate the collection of such fee in pursuance to the Government letters dated 3rd October 2009, 4th May 2010 and 29th september 2010.

Hence the Bill.

[L.A.Bill No.36 of 2011, File No. Samvyashae 41 Shasana 2011]

[Entry 18 of List II of the Seventh Schedule to the Constitution of India.]

* * *

¹ [KARNATAKA ACT]¹ No. 11 OF 1963

(First published in the ¹[Karnataka Gazette]¹ on the Twenty-eighth day of March, 1963.)

THE ¹[KARNATAKA]¹ TOWN AND COUNTRY PLANNING ACT, 1961

(Received the assent of the President on the Eighth day of March, 1963.)

(As amended by Karnataka Acts 14 of 1964, 2 of 1968, 12 of 1976, 39 of 1985, 34 of 1987, 2 & 17 of 1991, 8 of 1994, 18 of 2003, 23 of 2004, 1 of 2005, 1 of 2007 2 of 2007 and 6 of 2012)

An Act to provide for the regulation of planned growth of land use and development and for the making and execution of town planning schemes in the ¹[State of Karnataka]¹.

WHEREAS it is necessary and expedient,—

(i) to create conditions favourable for planning and replanning of the urban and rural areas in the ¹[State of Karnataka]¹ with a view to providing full civic and social amenities for the people in the State,

(ii) to stop uncontrolled development of land due to land speculation and profiteering in land,

(iii) to preserve and improve existing recreational facilities and other amenities contributing towards balanced use of land; and

(iv) to direct the future growth of populated areas in the State, with a view to ensuring desirable standards of environmental health and hygiene, and creating facilities for the orderly growth of industry and commerce, thereby promoting generally standards of living in the State;

AND WHEREAS in order to ensure that town planning schemes are made in a proper manner and their execution is made effective, it is necessary to provide that a local authority shall prepare a development plan for the entire area within its jurisdiction;

AND WHEREAS it is necessary and expedient to consolidate and amend the law relating to town planning for the aforesaid and other purposes hereinafter appearing;

BE it enacted by the ¹[Karnataka State]¹ Legislature in the Twelfth Year of the Republic of India as follows:—

1. Adapted by the Karnataka Adaptation of laws order 1973 w.e.f. 1.11.1973.

CHAPTER I

PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the ¹[Karnataka] Town and Country Planning Act, 1961.

1. Adapted by the Karnataka Adaptation of laws order 1973 w.e.f. 1.11.1973.

(2) It shall extend to the whole of the ¹[State of Karnataka]¹

1. Adapted by the Karnataka Adaptation of laws order 1973 w.e.f. 1.11.1973.

(3) It shall come into force on such ¹[date]¹ as the State Government may, by notification, appoint.

1. Act came into force on 15.1.1965 by Notification No. PLM 60 MNP 63 dt. 31.12.1964. Text of the notification is at the end of the Act.

2. Definitions.—In this Act, unless the context otherwise requires,—

¹[(1) 'agriculture' includes horticulture, farming, growing of crops, fruits, vegetables, flowers, grass, fodder, trees or any kind of cultivation of soil, breeding and keeping of livestock including cattle, horses, donkeys, mules, pigs, fish, poultry and bees, the use of land which is ancillary to the farming of land or any purpose aforesaid, but shall not include the use of any land attached to a building for the purposes of garden to be used along with such building; and 'agricultural' shall be construed accordingly;

(1a) 'Board' means the State Town Planning Board constituted under this Act;

(1b) 'commerce' means carrying on any trade, business or profession, sale or exchange of goods of any type whatsoever, the running of, with a view to make profit, hospitals, nursing homes, infirmaries, saris, educational institutions, hotels, restaurants, boarding houses not attached to educational institutions; and 'commercial' shall be construed accordingly;

(1c) 'development' with its grammatical variations, means the carrying out of building, engineering, mining, or other operations in, on, over or under land or the making of any material change in any building or land, or in the use of any building or land and includes sub-division of any land;

²[(1d) xxx]²¹

1. Inserted by Act 14 of 1964 w.e.f. 26.03.1964.

2. Clause (1d) Omitted by Act 1 of 2005 w.e.f. 14.02.2005.

¹[(1e)]¹ "Director" means the Director of Town Planning appointed under section 3;

1. Re-numbered by Act 14 of 1964 w.e.f. 26.03.1964.

¹[(1ea) "Heritage Building" means a building possessing architectural, aesthetic, historic or cultural values which is declared as heritage building by the Planning

Authority or any other competent authority within whose jurisdiction such building is situated;

(1eb) "Heritage Precinct" means an area comprising heritage building or buildings and precincts thereof or related places declared as such by the Planning Authority or any other Competent Authority within whose jurisdiction such area is situated.]¹

1. Inserted by Act 1 of 2005 w.e.f. 14.02.2005.

¹["(1f) 'industry' includes the carrying on of any manufacturing process as defined in the Factories Act, 1948 (Central Act 63 of 1948), and 'industrial' shall be construed accordingly;]¹

1. Inserted by Act 14 of 1964 w.e.f. 26.03.1964.

(2) "land" includes benefits arising out of land and things attached to the earth or permanently fastened to anything attached to the earth;

(3) "land use" means the major use to which a plot of land is being used on any specified date;

¹[(3a) 'local authority' means a municipal corporation, municipal council, ²[XXX]² ³Town Panchayat or Grama Panchayat]³; and a local authority is a 'local authority concerned' if any land within its local limits falls in the area of a plan prepared or to be prepared under this Act;]¹

1. Inserted by Act 14 of 1964 w.e.f. 26.03.1964

2. Omitted by Act 23 of 2004 w.e.f. 3.06.2004

3. Substituted by Act 23 of 2004 w.e.f. 3.06.2004.

¹[(3-b) "Master Plan" means a plan for the development or re-development of the area within the jurisdiction of a planning authority;]¹

1. Inserted by Act 1 of 2005 w.e.f. 14.02.2005

(4) "notification" means a notification published in the official Gazette;

(5) "owner" includes any person for the time being receiving or entitled to receive, whether on his own account or as agent, trustee, guardian, manager, or receiver for another person, or for any religious or charitable purpose, the rents or profits of the property in connection with which it is used;

¹[(6) "Planning Area" means any area declared to be ²[or included in]² a local planning area under this Act;

1. Section 6 and 7 substituted by Act 14 of 1964 w.e.f. 26.03.1964.

2. Inserted by Act 17 of 1991, w.e.f. 19.04.1991.

(7) 'Planning Authority' means,—

(a) in the case of—

¹[(i) the local planning area comprising the City of Bangalore, the Bangalore Development Authority, and;]¹

1. Substituted by Act 12 of 1976 w.e.f. 20.12.1975.

¹[(ia) the local planning area comprising any "urban area" defined in the Karnataka Urban Development Authorities Act, 1987, the Urban Development Authority of such urban area;]¹

1. Inserted by Act 34 of 1987 w.e.f. 1.5.1988.

¹["(ib) the heritage area as defined in the Hampi World Heritage Area Management Authority Act, 2002 (hereinafter referred to as heritage area) the Hampi World Heritage Area Management Authority constituted, under that Act"]¹

1. Inserted by Act 18 of 2003 w.e.f. 27.1.2005

(ii) any other local planning area in respect of which the State Government may deem it expedient to constitute a separate Planning Authority, the Planning Authority constituted under this Act.

(b) in the case of any local planning area in respect of which a Planning Authority is not constituted under this Act, the Town Improvement Board constituted under any law for the time being in force having jurisdiction over such local planning area, and where there is no such Town Improvement Board, the local authority having jurisdiction over such local planning area;]¹

(8) "plot" means a continuous portion of land held in one ownership;

(9) "prescribed" means prescribed by rules made under this Act;

(10) "reconstituted plot" means a plot which is in any way altered by the making of a town planning scheme;

Explanation.— "altered" includes the alternation of ownership.

(11) "regulations" means the Zonal Regulations governing land-use made under this Act;

¹[(11a) 'residence' includes the use for human habitation of any land or building or part thereof including gardens, grounds, garages, stables, and out houses, if any, appertaining to such building and 'residential' shall be construed accordingly;]¹

1. Inserted by Act 14 of 1964 w.e.f. 26.03.1964

(12) "Scheme" includes a plan relating to a town planning scheme;

¹[(13) words and expressions not defined in this Act have the same meaning as in the ²[Karnataka]² Municipalities Act, 1964;]¹

1. Inserted by Act 14 of 1964 w.e.f. 26.3.1964

2. Adapted by Karnataka Adaptations of Laws Order 1973 w.e.f. 1.11.1973

3. Appointment of Director of Town Planning.— (1) The State Government shall appoint a person, having the prescribed qualifications as Director of Town-Planning for the State and may assign to him such salary and establishment as it thinks fit.

(2) The cost of such appointment and his establishment shall be paid out of the revenues of the State.

4. State Town-Planning Board.—The State Government may, by notification, constitute a State Town-Planning Board for the State with such members and in such manner as may be prescribed for advising the State Government regarding planning and development and for determining principles and policies for achieving the balanced development of the State as a whole.

¹[CHAPTER IA

1. Chapter IA, Section 4A to 4G Inserted by Act 14 of 1964 w.e.f. 26.03.1964.

LOCAL PLANNING AREAS AND PLANNING AUTHORITIES

4A. Declaration of Local Planning Areas, their amalgamation, Sub-Division, inclusion of any area in a Local Planning Area.—(1) The State Government may by notification declare any area in the State to be a Local Planning Area for the purposes of this Act, ¹[or include within such local planning area, any area adjacent thereto, and on such declaration or inclusion]¹ this Act shall apply to such area:

1. Substituted by Act 17 of 1991 w.e.f. 19.04.1991

Provided that no military cantonment or part of a military cantonment shall be included in any such area.

¹["Provided further that in the case of the heritage area, the local planning area declared under this sub-section shall be co-terminus with the heritage area"]¹

1. Inserted by Act 18 of 2003 w.e.f. 27.1.2005.

(2) Every such notification shall define the limits of the area to which it relates.

(3) The State Government may, after consultation with the Board, amalgamate two or more planning areas into one local planning area, sub-divide a local planning area into different local planning areas, and include such divided areas in any other local planning area.

(4) The State Government may by notification direct that all or any of the rules, regulations, orders, directions and powers made, issued, conferred and in force in any other local planning area at the time, with such exceptions and adaptations and modifications as may be considered necessary by the State Government, shall apply to the area declared as, amalgamated with or included in, a local planning area under this section and such rules, regulations, bye-laws, orders, directions and powers shall forthwith apply to such local planning area without further publication.

(5) When local planning areas are amalgamated or sub-divided, or such sub-divided areas are included in other local planning areas, the State Government shall, after consulting the Board, the Planning Authority or authorities concerned, frame a scheme determining what portion of the balance of the fund of the Planning Authority shall vest in the Planning Authority or authorities concerned and in what manner the properties and liabilities of the planning authority or authorities shall be apportioned amongst them and on the scheme being notified the fund, property and liabilities shall vest and be apportioned accordingly.

4B. Power to withdraw Local Planning Area from operation of this Act.—(1) The State Government may, by notification withdraw from the operation of this Act the whole or a part of any local planning area declared thereunder.

(2) When a notification is issued under this section in respect of any local planning area,—

(i) this Act and all notifications, rules, regulations, orders, directions and powers issued, made or conferred under this Act, shall cease to apply to the said area;

(ii) the State Government shall, after consulting the Board and the local authority or authorities concerned, frame a scheme determining what portion of the balance of the fund of the local planning authority shall vest in the State Government and the local authority or authorities concerned, and in what manner the properties and liabilities of the local planning authority shall be apportioned between the State Government and the local authority or authorities, and on the scheme being notified, the fund, property and liabilities of the planning authority shall vest and be apportioned accordingly.

4C. Constitution of Planning Authority.—(1) As soon as may be, after declaration of a local planning area, the State Government in consultation with the Board, may, by notification in the official Gazette, constitute for the purposes of the performance of the functions assigned to it, an authority to be called the "Planning Authority" of that area, having jurisdiction over that area.

(2) Every Planning Authority constituted under sub-section (1), shall be a body corporate by the name aforesaid having perpetual succession and a common seal with power to acquire, hold and dispose of property both moveable and immoveable and to contract and shall by the said name sue and be sued.

(3) Every Planning Authority constituted under sub-section (1), shall consist of the following members, namely:-

- (i) a Chairman appointed by the State Government;
- (ii) a Town Planning Officer appointed by the State Government, who shall be a Member-Secretary to the Planning Authority;
- (iii) representatives of local bodies composed as follows:—

(a) in the case of a planning area in which only one local authority has jurisdiction, a representative nominated by that local authority from among the members of that authority and the Chief Executive Officer of that local authority;

(b) in the case of a planning area in which two or more local authorities have jurisdiction, one representative each of such local authorities as the State Government may consider necessary to be represented, nominated by the respective local authorities from among the members of each such local authority:

Provided that, the total number of such representatives shall not exceed five.

(iv) three other members, appointed by the State Government.

(4) The State Government may, if it thinks fit, appoint one of the members as Vice-Chairman of the Planning Authority.

4D. Term of office and conditions of service of the Chairman and members of Planning Authorities.—(1) Subject to the provisions of sub-section (2), the term of office and conditions of service of the Chairman and members of a planning authority constituted under section 4C shall be such as may be prescribed and they shall be entitled to receive such allowances as may be fixed by the State Government.

(2) The Chairman and members of a Planning Authority constituted under section 4C, except those nominated by local authorities shall hold office during the pleasure of the State Government. The representative of a local authority who is a member of that authority shall cease to be a member of the Planning Authority when he ceases to be a member of the local authority concerned.

(3) The Chairman or any member may resign his membership of the Planning Authority by giving notice in writing to the State Government and on such resignation being accepted, he shall cease to be a member of that planning authority.

(4) Any vacancies shall be filled by fresh appointment by the State Government or by nomination by the local authority concerned, as the case may be.

4E. Meetings of Planning Authorities.—(1) Each Planning Authority constituted under section 4C shall meet at such times and places and shall, subject to the provisions of sub-sections (2) and (3), observe such procedure in regard to the transaction of business at its meetings as may be prescribed.

(2) The Chairman, or in his absence, the Vice-Chairman, if any, or in the absence of the Chairman and of the Vice-Chairman, any member chosen by the members from amongst themselves, shall preside at a meeting of such Planning Authority.

(3) All questions at a meeting of such Planning Authority shall be decided by a majority of the votes of the members present and voting, and in the case of an equality of votes, the person presiding shall have a second or casting vote.

(4) Minutes shall be kept of the names of the members present and of the proceedings at each meet in a book to be kept for this purpose, and shall be open for inspection by any member during office hours.

4F. Temporary association of persons with the Planning Authority for particular Purposes.—(1) Every Planning Authority may associate with itself in such manner and for such purposes as may be prescribed any person whose assistance or advice it may desire in performing any of its functions under this Act.

(2) Any person associated with it by the Planning Authority under sub-section (1) for any purpose shall have a right to take part in the discussions of the Planning Authority relevant to that purpose but shall not have a right to vote at a meeting.

4G. Staff of the Planning Authority.—(1) Subject to such control and restrictions as may be prescribed, a Planning Authority constituted under section 4C may appoint such number of officers and employees as may be necessary for the efficient performance of its functions and may determine their designations and grades.

(2) The officers and employees of such Planning Authority shall be entitled to receive such salaries and allowances as may be fixed by the Planning Authority and shall be governed by such terms and conditions of service as may be prescribed.]¹

¹[4H. Functions of the Member-Secretary of the Planning Authority.—(1) Subject to the general powers of the Planning Authority and without prejudice to the powers of the Chairman under this Act, the Member-Secretary to the Planning Authority shall,—

(a) be the Chief Executive and Technical Officer of the Planning Authority;

(b) be responsible for all budgetary, planning, enforcement and supervisory functions of the Planning Authority;

(c) furnish to the Planning Authority all the information relating to the administration and accounts of the Authority as well as other matters whenever called upon by the Authority to do so;

(d) prepare and submit the Annual Reports and audited accounts of the Planning Authority for its approval within three months of the close of every financial year and thereafter submit copies of the same to the Board, the Director and the State Government.

(2) If, in the opinion of the Member-Secretary, any resolution passed by the Planning Authority contravenes any provisions of this Act or any other law or of any rule, notification, regulation or bye-law made or issued under this Act or any other law or any order passed by the State Government or it is prejudicial or detrimental to the interests of the Planning Authority, he shall, within fifteen days of the passing of such resolution refer the matter to the State Government through the Director for orders and inform the Planning Authority at its next meeting of the action taken by him and until the

orders of the State Government on such reference are received, the Member-Secretary of the Planning Authority shall not be bound to give effect to the resolution.]¹

1. Inserted by Act 17 of 1991 w.e.f. 19.04.1991.

CHAPTER II PRESENT LAND USE

5. Date to be specified.—The State Government shall, by notification, specify the date with reference to which the present land use of any land in the State has to be determined and different dates may be fixed for different areas in the State.

6. Preparation of a map showing present land use.—Every Planning Authority shall, as soon as possible and not later than two years after the date specified under section 5, prepare an accurate map showing the present land use ¹[x x x]¹ in the Planning Area under its jurisdiction and such other particulars as may be prescribed. A copy of such map shall be sent to the Director and another copy shall be displayed for public information in the office of the Planning Authority.

1. Omitted by Act 14 of 1964 w.e.f. 26.3.1964

7. Application for correction of entries in map.—(1) The owner of any plot of land included in the map prepared under section 6, may within one month of its publication in the office of the Planning Authority, apply to such authority for any entry of land use or other particulars made in the map to be corrected.

(2) On receipt of such application, the Planning Authority or any officer of such authority appointed by it, shall after such inquiry as may be prescribed make an order if the entry is incorrect and if found incorrect direct it to be corrected.

(3) From an order under sub-section (2), an appeal shall lie within sixty days from the date of the order, to the prescribed authority, or, if no authority has been prescribed, to the State Government, and the order of the prescribed authority or the State Government in appeal shall be final.

8. Entries in map conclusive evidence subject to orders under section 7.—Subject to any order that may be made under section 7 all entries regarding present land-use and other prescribed particulars made in the map under section 6 shall be conclusive evidence of the correctness of such entries on the specified date.

CHAPTER III OUTLINE DEVELOPMENT PLAN

¹9. Preparation of Master Plan. — (1) Every planning authority shall, as soon as may be, carry out a survey of the area within its jurisdiction and shall, not later than two years from the date of declaration of the local planning area, prepare and publish in the prescribed manner a master plan for such area and submit it to the State Government, through the Director, for provisional approval.

(2) If the master plan is not prepared, published and submitted to the State Government by the Planning Authority within the period specified in sub-section (1), the State Government may authorise the Director to prepare and publish such plan in the prescribed manner and direct the cost thereof to be recovered from the Planning Authority out of its funds, notwithstanding anything contained in any law relating to the said fund.

(3) Notwithstanding anything contained in sub-section (2), if any Planning Authority is converted into, or amalgamated with any other Planning Authority or is sub-divided into two or more Planning Authorities, the master plan prepared for the area by the planning authority so converted, amalgamated or sub-divided shall, with such alterations and modifications as the State Government may approve, be deemed to be the master plan for the area of the new Planning Authority or authorities into or with which the former Planning Authority was converted, amalgamated or sub-divided.

(4) A copy of the master plan with the report sent to State Government under sub-section (1) or sub-section (3) shall be kept open for inspection by the public at the head office of the Planning Authority.]¹

1. Section 9 substituted by Act 1 of 2005 w.e.f. 14.2.2005.

10. Declaration of intention of making outline development plan.—¹[(1) A Planning Authority, before carrying out a survey of the area under its jurisdiction under sub-section (1) of section 9, for the purpose of preparing a Master Plan for such area, shall make a declaration of its intention to prepare such plan and shall despatch a copy of such resolution with a copy of plan showing only boundary of the entire area proposed to be included in the master plan to the State Government. The planning authority shall publish a notice of such declaration in the Official Gazette and also in one or more local newspaper in the prescribed manner calling suggestions from the public within a period of sixty days:

Provided that no such declaration of intention need be made when the master plan is prepared and published by the Director under sub-section (2) of section 9.]¹

1. Substituted by Act 1 of 2005 w.e.f. 14.2.2005.

(2) If within two months from the date of publication of the declaration under sub-section (1) any member of the public communicates in writing to the Planning Authority any suggestion relating to such plan, the Planning Authority shall consider such suggestion and may, at any time, before sending the Plan to the State Government make such modification in the plan as it thinks fit.

¹[(3) A copy of the plan showing the boundaries of the area included in the master plan shall be opened to public at all reasonable hours at the office of the Planning Authority or Local Authority.]¹

1. Inserted by Act 1 of 2005 w.e.f. 14.2.2005.

11. Power of entry for carrying out surveys for preparing outline development plan.—For the purpose of carrying out a survey for preparation of an outline development plan and for the purpose of preparing of such plan, any person authorised by the Director or the Planning Authority or any public servant or person duly authorised or appointed under this Act may, after giving such notice as may be prescribed to the owner, occupier or other person interested in the land, enter upon, survey and mark out such land and do all things necessary for such purpose.

¹[12. Contents of Master Plan.- (1) The Master Plan shall consist of a series of maps and documents indicating the manner in which the development and improvement of the entire planning area within the jurisdiction of the Planning Authority are to be carried out and regulated, such plan shall include proposals for the following, namely:-

(a) zoning of land use for residential, commercial, industrial, agricultural, recreational, educational and other purposes together with Zoning Regulations;

(b) a complete street pattern, indicating major and minor roads, national highways, and state highways, and traffic circulation pattern, for meeting immediate and future requirements with proposals for improvements;

(c) areas reserved for parks, playgrounds, and other recreational uses, public open spaces, public buildings and institutions and area reserved for such other purposes as may be expedient for new civic developments;

(d) areas earmarked for future development and expansion;

(e) reservation of land for the purposes of Central Government, the State Government, Planning Authority or public utility undertaking or any other authority established by Law, and the designation of lands being subject to acquisition for public purposes or as specified in Master Plan or securing the use of the landing in the manner provided by or under this Act;

(f) declaring certain areas, as areas of special control and development in such areas being subject to such regulations as may be made in regard to building line, height of the building, floor area ratio, architectural features and such other particulars as may be prescribed;

(g) stages by which the plan is to be carried out.

Explanation:

(i) "Building Line" means the line up to which the plinth of a building adjoining a street may lawfully extend and includes the lines prescribed, if any, in any scheme;

(ii) "Floor Area Ratio" means the quotient of the ratio of the combined gross floor area of all the floors, excepting areas specifically exempted under the regulations, to the total area of the plot.

(2) The following particulars shall be published and sent to the State Government through the Director along with the masterplan, namely:-

- (i) a report of the surveys carried out by the Planning Authority before the preparation of such plan;
- (ii) a report explaining the provisions of the Master Plan;
- (iii) regulations in respect of each land use zone to enforce the provisions of such plan and explaining the manner in which necessary permission for developing any land can be obtained from the Planning Authority;
- (iv) a report of the stages by which it is proposed to meet the obligations imposed on the Planning Authority by such plan.

(3) Master Plan shall indicate "Heritage Buildings" and "Heritage Precincts" and shall include the regulations made therein for conservation of the same.]¹

1. Substituted by Act 1 of 2005 w.e.f. 14.2.2005.

[13. Approval of the Master Plan.- (1) On receipt of the Master Plan with the reports referred to in section 12 from the Planning Authority under sub-section (1) of section 9, or after such plan and reports are prepared and published under sub-section (2) of section 9, the State Government after making such modifications as it deems fit or as may be advised by the Director, shall return through the Director, the plan and the reports to the Planning Authority, which shall thereupon publish, by notification, the plan and the reports inviting public comments within sixty days of such publication.

(2) If within sixty days of the publication under sub-section (1), any member of the public communicates in writing to the Planning Authority any comments on the plan and the reports, the Planning authority shall consider such comments and resubmit the plan and the reports to the State Government, through the Director with recommendations for such modifications in the plan and reports as it considers necessary in the light of the public comments made on the plan and reports.

(3) The State Government, after receiving the plan and the reports and the recommendations for modifications from the Planning Authority, shall, in consultation with the Director, give its final approval to the plan and the reports with such modifications as the Director may advice in the light of the comments and the recommendations of the Planning authority or otherwise.

(4) The Planning Authority shall then publish in the prescribed manner the Master Plan and the reports as finally approved by the State Government. The plan and the reports shall be permanently displayed in the offices of the Director and the Planning Authority and a copy shall be kept available for inspection of the public at the office of the Planning Authority.]¹

1. Substituted by Act 1 of 2005 w.e.f. 14.2.2005.

¹13-A. Interim Master Plan.- (1) Pending the preparation of Master Plan, a Planning Authority may, where it considers it expedient, and shall, when so directed by the State Government, prepare and publish the Interim Master Plan for the entire area within the jurisdiction of the Planning Authority, or for any part thereof; and their upon, the provisions of section 13 shall, so far as may be, but subject to the provisions of this section, apply in relation to such Interim Master Plan as they apply in relation to the preparation and publication of the Master Plan.

(2) The Planning Authority shall prepare and publish such plan not later than one year from the date of notice in the official Gazette of its declaration of intention to prepare a Master plan or not later than such further period not exceeding one year as may be extended by the State Government.

(3) The Interim Master Plan shall provide only for matters mentioned in clauses (a), (b) and (c) of section 12 and if necessary, such other matters specified in that section as the Planning Authority may decide to include or as may be directed by the State Government.

(4) The Interim Master Plan shall consist of such maps and such descriptive matters as the Planning Authority may consider necessary to explain and illustrate the proposals made in such plan.

13-B. Preparation of Master Plan for Additional Area. – If at any time after a Planning Authority has declared its intention to prepare a Master Plan or after a Master Plan prepared by a Planning authority has been sanctioned the jurisdiction of the Planning Authority is extended by inclusion of an additional area, the Planning Authority after following the provisions of this Act for the preparation of a Master Plan, prepare and publish a Master Plan for such additional area either separately or jointly with the provisional or final Master Plan prepared or to be prepared for the area originally under its jurisdiction, and submit it to the State Government for sanction after following the same procedure as it followed for submission of a Master Plan to the State Government for approval:

Provided that, where a Master Plan for the additional area requires modification of the final Master Plan or where the State Government directs any such modifications, the Planning Authority shall revise the final Master Plan after following the procedure laid down in section 9, so far as may be relevant.

13-C. Existing Outline Development Plan or Comprehensive Development Plan deemed to be Master Plan - (1) The declaration of intention of making an Outline Development Plan published by the State Government under sub-section (1) of section 10 immediately prior to the commencement of the Karnataka Town and Country Planning (Amendment) Act, 2004 (hereinafter in this section referred to as the

Amendment Act), shall be deemed to be the declaration of intention of making Master Plan under this Act.

(2) The Outline Development Plan or Comprehensive Development Plan prepared by any Planning Authority and provisionally or finally approved by the State Government under section 13, or as the case may be, under section 22 prior to the commencement of the Amendment Act shall be deemed to be the Master Plan provisionally, or as the case may be, finally approved under this Act.

(3) The Comprehensive Development Plan prepared by any Planning Authority revised under section 25 prior to the commencement of the Amendment Act shall be deemed to be Master Plan revised under this Act.

13-D. Revision of Master Plan. – At least once in every ten years from the date on which the Master Plan has come into force, subject to the provisions of section 13-C, the Planning Authority may and if directed so by the State Government shall, carry out a fresh survey of the area within its jurisdiction, with a view to revising the existing Master Plan and the provisions of section 9 to section 12 (both inclusive) shall mutatis mutandis apply in respect of such revision of the Master Plan."

13-E. Amendment to Regulations. - The State Government may, after previous publication of the draft for not less than one month by notification make amendments to regulations.]¹

1. Sections 13-A to 13-E inserted by Act 1 of 2005 w.e.f. 14.2.2005.

14. ¹[Enforcement of the Master Plan and the Regulations]¹.—¹[(1) On and from the date on which a declaration of intention to prepare a Master Plan is published under sub-section (1) of section 10, every land use, every change in land use and every development in the area covered by the plan subject to section 14-A shall conform to the provisions of this Act, the Master Plan and the Report, as finally approved by the State Government under sub-section (3) of section 13.]¹

1. Substituted by Act 1 of 2005 w.e.f. 14.2.2005.

(2)¹[x x x]¹ no such change in land use or development as is referred to in sub-section (1) shall be made except with the written permission of the Planning Authority which shall be contained in a commencement certificate granted by the Planning Authority in the form prescribed.

1. Omitted by Act 14 of 1964 w.e.f. 26.03.1964

¹[Provided that where the use or change of land use under this section needs the diversion of agricultural land to non-agricultural purposes, such use or change of use shall not be permitted unless permission is obtained in accordance with the provisions of the Karnataka Land Revenue Act, 1964 for such diversion.]¹

1. Inserted by Act 2 of 1991 w.e.f 20.03.1991.

Explanation.— For the purpose of this section,—

(a) the expression "development" means the carrying out of building or other operation in or over or under any land or the making of any material change in the use of any building or other land;

(b) the following operations or uses of land shall not be deemed to involve a development of any building or land, namely:—

(i) the carrying out of works for maintenance, improvement or other alteration of any building, being works which affect only the interior of the building or which do not materially affect the external appearance of the building;

¹[XXX]¹

1. (ii) and (iii) omitted by Act 23 of 2004 w.e.f. 3.06.2004

(iv) the use of any building or other land within the curtilage of a dwelling house for any purpose incidental to the enjoyment of the dwelling house as such;

(v) when the normal use of land which was being temporarily used for any other purpose on the day on which the declaration of intention to prepare the outline development plan is published under sub-section (1) of section 10 is resumed;

(vi) when land was normally used for one purpose and also on occasions for any other purpose, the use of the land for that other purpose on similar occasions.

(3) Every application for permission under sub-section (2) shall be accompanied by a plan, drawn to scale showing the actual dimensions of the plot of land in respect of which permission is asked, the size of the building to be erected and the position of the building upon the plot and such other information as may be required in this behalf by the Planning Authority.

¹[14A. Change of land use from the outline development plan.]—(1) At any time after the date on which the outline development plan for an area comes into operation, the Planning Authority may, with the previous approval of the State Government, allow such changes in the land use or development from the outline development plan as may be necessitated by topographical cartographical or other errors and omissions, or due to failure to fully indicate the details in the plan or changes arising out of the implementation of the proposals in outline development plan or the circumstances prevailing at any particular time, by the enforcement of the plan:

1. Inserted by Act 17 of 1991 w.e.f. 19.04.1991.

Provided that,—

(a) all changes are in public interest;

(b) the changes proposed do not contravene any of the provisions of this Act or any other law governing planning, development or use of land within the local planning area; and

(c) the proposal for all such changes are published in one or more daily newspapers, having circulation in the area, inviting objections from the public within a period of not less than fifteen days from the date of publication as may be specified by the Planning Authority.

(2) The provisions of sub-section (2) and (3) of section 14 shall apply mutatis mutandis to the change in land use or development from the outline development plan.]¹

¹[(3) Notwithstanding anything contrary contained in the Act, if the change in land use or development is from commercial or industrial to residential or from industrial to commercial and the stipulated fee is paid and the Local Planning Authority is informed prior to effecting the change, the permission for such change of land use or development shall be deemed to have been given.]¹

1. Sub-section (3) Inserted by Act 1 of 2005 w.e.f. 14.2.2005.

¹[14B. Benefit of development rights.- Where any area within a local planning area is required by a Planning Authority or local authority for a public purpose and the owner of any site or land which comprises such area surrenders it free of cost and hands over possession of the same to the Planning Authority or the local authority free of encumbrances, the planning authority or the local authority, as the case may be, may notwithstanding anything contained in this Act or the regulations but subject to such restrictions or conditions as may be specified by notification by the State Government, permit development rights in the form of additional floor area which shall be equal to one and half times of the area of land surrendered. The development right so permitted may be utilised either at the remaining portion of the area after the surrender or anywhere in the local planning area, either by himself or by transfer to any other person, as may be prescribed. The area remaining after surrender shall have the same floor area which was available before surrender for the original site or land as per regulations.

Explanation.- For the purpose of this section,-

(a) Public purpose means.-

- (i) widening of an existing road or formation of a new road;
- (ii) providing for parks, playgrounds and open spaces or any other civic amenities;
- (iii) maintaining or improving heritage building or precincts notified by the State Government.

¹[(iv) Any other purpose notified by the State Government from time to time.]¹

1. Inserted by Act 2 of 2007 w.e.f. 20.02.2007.

(b) "development right" means the right to carryout development or to develop I and or building or both.

Illustration No.1: In a plot area of 500 square meters at road "A", where floor area ratio is 1.5.-

i	Plot area	: 500 square meters
ii	Permissible floor area ratio	: 1.5
iii	Buildable floor area	: $500 \times 1.5 = 750$ square meters
iv	Area surrendered	: 100 square meters
v	Additional floor area in the form of Development Rights	: 150 square meters
vi	Plot area after surrender	: $500 - 100 = 400$ square meters
vii	Buildable floor area in plot area of 400 square meters (after surrender):- (a) If additional floor area is not utilised in the same plot (b) If additional floor area is utilised in the same plot	: 750 square meters : $750 + 150 = 900$ square meters

Illustration No.2: In a plot area of 500 square meters at road "B", where floor area ratio is 0.75:-

i	Plot area	: 500 square meters
ii	Permissible floor area ratio	: 0.75
iii	Buildable floor area	: $500 \times 0.75 = 375$ square meters
iv	Area surrendered	: 100 square meters
v	Additional floor area in the form of Development Rights	: 150 square meters
vi	Plot area after surrender	: $500 - 100 = 400$ square meters
vii	Buildable floor area in plot area of 400 square meters (after surrender):- (a) If additional floor area is not utilised in the same plot (b) If additional floor area is utilised in the same plot	: 375 square meters : $375 + 150 = 525$ square meters

Illustration No.3: In a plot area of 500 square meters at road “C”, where floor area ratio is 0.75 and Development Right of 150 square meters originated at road “A” is transferred.-

i	Plot area	: 500 square meters
ii	Permissible floor area ratio	: 0.75
iii	Buildable floor area	: 500 x0.75 =375 square meters
iv	Additional floor area transferred from road "A" :	150 square meters
v	Total Buildable floor area	: 375+150 = 525 square meters] ¹

1. Section 14B Inserted by Act 23 of 2004 w.e.f 3.6.2004.

15. Permission for development of building or land.— (1) On receipt of the application for permission under section 14, the Planning Authority shall furnish to the applicant a written acknowledgment of its receipt and after such inquiry as may be necessary either grant or refuse a commencement certificate:

Provided that such certificate may be granted subject to such general or special conditions as the State Government may, by order made in this behalf, direct.

(2) If the Planning Authority does not communicate its decision to the applicant within three months from the date of such acknowledgment, such certificate shall be deemed to have been granted to the applicant.

¹[Provided that the land use, change in land use or the development for which permission was sought for is in conformity with the outline development plan and the regulation finally approved under sub-section (3) of section 13.]¹

1. Inserted by Act 17 of 1991 w.e.f. 19.04.1991.

(3) Subject to the provisions of section 16, no compensation shall be payable for the refusal of or the insertion or imposition of conditions in the commencement certificate.

(4) If any person does any work on, or makes any use of, any property in contravention of section 14 or of sub-section (1) of this section, the Planning Authority may direct such person by notice in writing, to stop any such work in progress or discontinue any such use; and may, after making an inquiry in the prescribed manner, remove or pull down any such work and restore the land to its original condition or, as the case may be, take any measure to stop such use.

(5) Any expenses incurred by the Planning Authority under sub-section (4) shall be a sum due to such Authority under this Act from the person in default or from the owner of the land.

Explanation.—The power to grant necessary permission under this section for a change of user of land shall include the power to grant permission for the retention on land of any building or work constructed or carried out thereon before the date of the

publication of the declaration of intention to prepare an outline development plan under sub-section (1) of section 10 or for the continuance of any use of land instituted before the said date.

¹[(6) Any person aggrieved by the decision of the Planning Authority under sub-section (1) or sub-section (4) may, within thirty days from the date of such decision, appeal to such authority as may be prescribed.

(7) The prescribed authority may, after giving a reasonable opportunity of being heard to the appellant and the Planning Authority, pass such orders as it deems fit, as far as may be, within four months from the date of receipt of the appeal.]¹

1. Sub-sections (6) and (7) Inserted by Act 17 of 1991 w.e.f. 19.4.1991

16. Obligation to purchase land on refusal of permission in certain cases.—(1) Where permission for change of land use of the kind referred to in the explanation to section 15 is refused or is granted subject to conditions, then, if any owner of the land claims,—

(a) that the land has become incapable of reasonable beneficial use in its existing state, or

(b) in a case where permission for such use is granted subject to conditions, that the land cannot be rendered capable of reasonable beneficial use, by carrying out the conditions of the permission, he may within the time and in the manner prescribed by regulations made by the Planning Authority, serve on the Planning Authority a notice (hereinafter referred to as a 'purchase notice'), requiring the Planning Authority to purchase his interest in the land in accordance with the provisions of this section.

(2) Where a purchase notice is served on a Planning Authority under this section, the Planning Authority shall forthwith transmit a copy of the notice to the State Government through the Director, and the State Government shall, if it is satisfied that the conditions specified in paragraph (a) or (b) of sub-section (1), as the case may be, are fulfilled, confirm the notice, and thereupon, the Planning Authority shall be deemed to be authorised to acquire the interest of the owner compulsorily in accordance with the provisions of this Act, and to have served a notice to acquire in respect thereof on such date as the State Government may direct.

(3) If, within the period of six months from the date on which the purchase notice is served under this section, the State Government has not confirmed the notice, the notice shall be deemed to be confirmed at the expiration of that period, and the Planning Authority on which the notice was served shall be deemed to be authorised to acquire the interest of the owner compulsorily in accordance with the provisions of this Act at the expiration of the said period.

(4) The compulsory acquisition of the interest of the owner of a land under this section shall be deemed to be acquisition of land needed for a public purpose within the meaning of the Land Acquisition Act, 1894 (Central Act I of 1894).

17. Sanction for sub-division of plot or lay-out of private street.—(1) Every person who intends to sub-divide his plot or make or lay-out a private street on or after the date of the publication of the declaration of intention to prepare the outline development plan under sub-section (1) of section 10, shall submit the lay-out plan together with the prescribed particulars to the Planning Authority for sanction.

(2) The Planning Authority may, within the prescribed period, sanction such plan either without modification or subject to such modifications and conditions as it considers expedient or may refuse to give sanction, if the Planning Authority is of opinion that such division or laying out is not in any way consistent with the proposals of the outline development plan.

(3) No compensation shall be payable for the refusal or the insertion, imposition or modification or conditions in the grant of sanction.

(4) If any person does any work in contravention of sub-section (1) or in contravention of the modifications and conditions of the sanction granted under sub-section (2) or despite refusal for the sanction under the said sub-section (2), the Planning Authority may direct such person by notice in writing to stop any work in progress and after making an inquiry in the prescribed manner, remove or pull down any work or restore the land to its original condition.

(5) Any expenses incurred by the Planning Authority under sub-section (4) shall be a sum due to the Planning Authority under this Act from the person in default.

¹[(6) Any person aggrieved by the decision of the Planning Authority under sub-section (2) or sub-section (4) may, within thirty days from the date of such decision appeal to such authority as may be prescribed.

(7) The prescribed authority may after giving a reasonable opportunity of being heard to the appellant and the Planning Authority, pass such order as it deems fit, as far as may be, within four months from the date of receipt of the appeal.]¹

1. Sub-sections (6) and (7) Inserted by Act 17 of 1991 w.e.f. 19.4.1991

18. Recovery of a fee in certain cases of permission for change in the use of land or building.—¹[(1) Where permission for change of land use or development of land or building is granted under section 14A or section 14B or section 15 or section 17 and such change of land use or development is capable of yielding a better income to the owner, the Planning Authority may levy a prescribed fee not exceeding one-third of the estimated increase in the value of the land or building in the prescribed manner for permitting such change of land use or development of land or building]¹

1. Substituted by Act 23 of 2004 w.e.f. 03.06.2004.

¹(1A) where an application for sanction of sub-division of his plot or make or layout a private street is submitted under section 17 to any planning Authority, such planning Authority may levy and collect an additional fee at the rate of rupees one lakh per acre

of land, for the purpose of rejuvenation of lakes or water bodies within the planning area.]¹

1. Deemed to have been inserted by Act 6 of 2012 w.e.f. 03.10.2009

(2) Any person aggrieved by the levy of fee under sub-section (1), may within such period as may be prescribed, appeal to the District Court having jurisdiction on the ground that the change or development is not capable of yielding a better income to the owner. The decision of the District Court on such appeal shall be final.

¹[(3) The State Government may exempt any Board, Authority or body constituted by or under any law and owned or controlled by the State Government or Central Government or an infrastructure Project promoted or implemented by any Company or person and approved by the State Government or Central Government from the payment of fee specified under sub-section (1).

Explanation:- For the purpose of this section and section 18A "Infrastructure Project " means,-

(a) road, bridge, air port, port, inland water ways and inland ports, rail system or any other public facility of a similar nature as may be notified by the State Government from time to time;

(b) a highway project including housing or other activities being an integral part of that project;

(c) water supply project, irrigation project, sanitation and sewerage system."

(d) a tourism project with an investment of not less than Rupees one hundred crores as may be notified by the State Government from time to time]¹

1. Inserted by Act 23 of 2004 w.e.f. 3.06.2004.

¹[18A. Levy and collection of cess and surcharge.- (1) Notwithstanding anything contained in this Act, the Planning Authority may while granting permission for development of land or building levy and collect from the owner of such land or building:-

(i) a cess for the purpose of carrying out any water supply scheme;

(ii) a surcharge for the purpose of formation of ring road;

(iii) a cess for the purpose of improving slums; and

(iv) a surcharge for the purpose of establishing Mass Rapid Transport System. at such rates but all the above levies together not exceeding one-tenth of the market value of the land or building as may be prescribed.

²[(v) a cess for the rejuvenation of lakes or water bodies:]²

(2) The cess and surcharge levied under sub-section (1) shall be assessed and collected in such manner as may be prescribed.

(3) Any person aggrieved by the levy, assessment and collection of cess or surcharge under this section may within thirty days from the date of the order appeal to the prescribed authority whose decision shall be final.

(4) The prescribed authority may after giving a reasonable opportunity of being heard to the appellant and the planning Authority pass such order as it deems fit.

(5) The State Government may exempt any Board Authority or Body constituted by or under any law and owned or controlled by the State Government or the Central Government or an infrastructure Projects promoted or implemented by any company or person and approved by the State Government or Central Government from the payment of cess or surcharge leviable under sub-section (1)]¹

1. Deemed to have been inserted by Act 23 of 2004 w.e.f. 19.10.1992.

2. Deemed to have been inserted by Act 6 of 2012 w.e.f. 03.10.2009.

CHAPTER IV

¹[ENFORCEMENT OF MASTER PLAN]¹

1. Substituted by Act 1 of 2005 w.e.f. 14.02.2005.

¹[19. xxx]¹

1. Omitted by Act 1 of 2005 w.e.f. 14.02.2005.

¹[20. xxx]¹

1. Omitted by Act 1 of 2005 w.e.f. 14.02.2005.

¹[21. xxx]¹

1. Omitted by Act 1 of 2005 w.e.f. 14.02.2005.

¹[22. xxx]¹

1. Omitted by Act 1 of 2005 w.e.f. 14.02.2005.

¹[23. xxx]¹

1. Omitted by Act 1 of 2005 w.e.f. 14.02.2005.

¹[24. Enforcement of the Comprehensive Development Plan.- The Provisions of sections 14, 14A, 15, 16, 17, 18 and 18A shall apply mutatis-mutandis to the enforcement of the Comprehensive Development Plan]¹

1. Substituted by Act 23 of 2004 w.e.f. 3.6.2004

¹[25. xxx]¹

1. Omitted by Act 1 of 2005 w.e.f. 14.02.2005.

CHAPTER V

TOWN PLANNING SCHEMES

26. Making of town planning scheme and its contents.—(1) Subject to the provisions of this Act, a Planning Authority, for the purpose of implementing the proposals in the ¹[Master Plan published under sub-section (4) of section 13]¹, may make one or more town planning schemes for the area within its jurisdiction or any part thereof.

1. Substituted by Act 1 of 2005 w.e.f. 14.02.2005.

(2) Such town planning scheme may make provisions for any of the following matters namely:—

- (a) the laying out or re-laying out of land, either vacant or already built upon;
- (b) the filling up or reclamation of low-lying, swamp or unhealthy areas or levelling up of land;
- (c) lay-out of new streets or roads; construction, diversion, extension, alteration, improvement and stopping up of streets, roads and communications;
- (d) the construction, alteration and removal of buildings, bridges and other structures;
- (e) the allotment or reservation of land for roads, open spaces, gardens, recreation grounds, schools, markets, green belts and dairies, transport facilities and public purposes of all kinds;
- (f) drainage inclusive of sewerage, surface or sub-soil drainage and sewage disposal;
- (g) lighting;
- (h) water supply;
- (i) the preservation of objects of historical or national interest or natural beauty and of buildings actually used for religious purposes;
- (j) the imposition of conditions and restrictions in regard to the open space to be maintained about buildings, the percentage of building area for a plot, the number, size, height and character of buildings allowed in specified areas, the purposes to which buildings or specified areas may or may not be appropriated, the sub-division of plots, the discontinuance of objectionable users of land in any area in reasonable periods, parking space and loading and unloading space for any building and the sizes of projections and advertisement signs;
- (k) the suspension, so far as may be necessary for the proper carrying out of the scheme, of any rule, bye-law, regulation, notification or order, made or issued under any Act of the State Legislature or any of the Acts which the State Legislature is competent to amend;
- (l) such other matter not inconsistent with the objects of this Act as may be prescribed.

27. Right of entry.—For the purpose of making or execution of any town planning scheme, any person authorised by the Planning Authority or any public servant or person duly appointed or authorised under this Act, may, after giving such notice as may be prescribed to the owner, occupier or other person interested in any land, enter upon, survey and mark out such land and do all acts necessary for such purpose.

28. Land in respect of which a town planning scheme may be made.—(1) A town planning scheme may be made in accordance with the provisions of this Act in respect of any land which is,—

- (i) in course of development,
- (ii) likely to be used for building purposes, and
- (iii) already built upon.

(2) The expression "land likely to be used for building purposes" shall include any land likely to be used as, or for the purpose of providing open spaces, roads, streets, parks, pleasure or recreation grounds, parking spaces or for the purpose of executing any work upon or under the land incidental to a town planning scheme, whether in the nature of a building work or not.

29. Declaration of intention to make a scheme.—(1) A Planning Authority having jurisdiction over any such land as is referred to in section 28 or over any such area as is referred to in section 26, may by resolution declare its intention to make a town planning scheme in respect of the whole or any part of such land or such area.

(2) Within twenty-one days from the date of such declaration (hereinafter referred to as the declaration of intention to make a scheme), the Planning Authority shall publish it in the prescribed manner and shall despatch a copy thereof to the State Government through the Director.

(3) The Planning Authority shall send a plan showing the area which it proposes to include in the town planning scheme to the State Government through the Director.

(4) A copy of the plan shall be open to inspection by the public at the office of the Planning Authority.

30. Making and publication of draft scheme.—(1) Within twelve months from the date of declaration of intention to make a scheme under section 29, the Planning Authority shall make in consultation with the Director, a draft scheme for the area in respect of which the declaration has been made and publish the same in the prescribed manner:

Provided that on application by the Planning Authority in that behalf, the State Government may from time to time, by notification extend the aforesaid period by such period as may be specified not exceeding six months.

(2) If the draft scheme is not made and published by the Planning Authority within the period specified or within the period so extended under sub-section (1), the State Government or an officer authorised by the State Government in this behalf may make and publish in the prescribed manner a draft scheme for the area in respect of which the declaration of intention to make a scheme has been made by the Planning Authority within a further period of nine months from the date of the expiry of the extended period.

(3) If such publication is not made by the State Government within the further period specified in sub-section (2), the declaration of intention to make a scheme shall lapse, and until a period of three years has elapsed from the date of such declaration, it shall not be competent to the Planning Authority to declare its intention to make any town planning scheme for the same area or for any part of it.

31. Power of State Government to require Planning Authority to make a scheme.—(1) Notwithstanding anything contained in sections 29 and 30, the State Government may, in respect of any Planning Authority after making such inquiry as it deems necessary by notification, require the Planning Authority to make and publish in the prescribed manner and submit for its sanction through Director a draft scheme in respect of any land in regard to which a town planning scheme may be made under section 28.

(2) For the purpose of this Act and the rules made thereunder, the requisition under sub-section (1) by the State Government shall be deemed to be the declaration of intention to make a scheme under section 29.

32. Contents of draft scheme.—The draft scheme shall contain the following particulars, namely:—

(a) the area, ownership and tenure of each original plot, the land allotted or reserved under clause (e) of sub-section (2) of section 26 with a general indication of the uses to which such land is to be put and the terms and conditions subject to which such land is to be put to such uses;

(b) the extent to which it is proposed to alter the boundaries of original plots;

(c) an estimate of the net cost of the scheme to be borne by the Planning Authority;

(d) a full description of all the details of the scheme under such clauses of sub-section (2) of section 26 as may be applicable;

(e) the laying out or re-laying out of land either vacant or already built upon;

(f) the filling up or reclamation of low-lying swamp or unhealthy areas, or levelling up of land; and

(g) any other prescribed particulars.

33. Reconstituted plot.—(1) In the draft scheme the size and shape of every reconstituted plot shall be determined, so far as may be, to render it suitable for building purposes and where the plot is already built upon, to ensure that the building as far as possible complies with the provisions of the scheme as regards open spaces.

(2) For the purpose of sub-section (1) the draft scheme may contain proposals,-

(a) to form a reconstituted plot by the alteration of the boundaries of an original plot;

- (b) to form a reconstituted plot by the transfer, wholly or partly, of the adjoining lands;
- (c) to provide that the consent of the owners that two or more original plots each of which is held in ownership in severalty or in joint ownership, shall hereafter with, or without alteration of boundaries, be held in ownership in common as reconstituted plot;
- (d) to allot a plot to any owner dispossessed of the land in furtherance of the scheme; and
- (e) to transfer the ownership of a plot from one person to another.

34. Consideration of objections and sanction of draft scheme.—(1) If, within one month from the date of publication of the draft scheme under sub-section (1) or sub-section (2) of section 30, as the case may be, any person affected by such scheme communicates in writing to the Planning Authority any objection relating to such scheme, the Planning Authority shall consider such objection and may, at any time before submitting the draft scheme to the State Government, as hereinafter provided, modify such scheme in such manner as it thinks fit.

(2) The Planning Authority shall, within four months from the date of its publication under sub-section (1) or sub-section (2) of section 30, submit the draft scheme with any modifications which it may have made therein together with the objections which may have been communicated to it, to the State Government through the Director and shall at the same time apply for its sanction.

(3) After receiving such application and after making such inquiry as it may think fit, the State Government, in consultation with the Director, may by notification, within six months from the date of its submission, either sanction such scheme with or without modifications and subject to such conditions as it may think fit to impose, or refuse to give sanction.

(4) If the State Government sanctions such scheme, it shall in such notification state at what place and time the draft scheme so sanctioned shall be open to the inspection of the public.

35. Restrictions after declaration to make a scheme.—(1) On or after the date on which the Planning Authority's declaration of intention to make a scheme under section 29 or the notification issued by the State Government under section 31 is published,—

(a) no person shall within the area included in the scheme erect or proceed with any building work or remove, pull down, alter, make additions to, or make any substantial repair to any building, part of a building, a compound wall or any drainage work or

remove any earth, stone or material, or sub-divide any land or change the user of any land or building unless such person has applied for and obtained necessary permission which shall be contained in a commencement certificate granted by the Planning Authority in the form prescribed;

(b) the Planning Authority on receipt of such application shall at once furnish the applicant with a written acknowledgment of its receipt and may, after inquiry and in consultation with the Director, either grant or refuse such certificate or grant it subject to such conditions as the Planning Authority may, with the previous approval of the Director, think fit to impose if the Planning Authority communicates no decision to the applicant within three months from the date of such acknowledgment, the applicant shall be deemed to have been granted such certificate;

(c) if any person contravenes the provisions contained in clause (a) or clause (b), the Planning Authority may direct such person by notice in writing to stop any work in progress, and after making inquiry in the prescribed manner, remove, pull down, or alter any building or other work or restore the land in respect of which such contravention is made to its original condition;

(d) any expenses incurred by the Planning Authority under clause (c) shall be a sum due to such authority under this Act from the person in default or the owner of the plot.

(2) No person shall be entitled to compensation in respect of any damage, loss or injury resulting from any action taken by the Planning Authority under sub-section (1) except in respect of a building or work begun or a contract entered into before the date on which the Planning Authority published a declaration of intention to make a scheme under section 29 or the State Government published a notification under section 31 and only in so far as such building or work has proceeded at the time of the publication of such declaration or notification:

Provided that such claim to compensation in the excepted cases shall be subject to the conditions of any agreement entered into between such person and the Planning Authority.

(3) Where under clause (j) of sub-section (2) of section 26 or under a draft scheme under section 32,—

(a) the purpose to which any plot of land may not be used has been specified, such plot of land shall, within such period of not less than one year as may be specified in the final scheme, cease to be used for such purpose and shall be used only for the purposes specified in the Scheme;

(b) the purpose to which any existing building may not be used has been specified, such building shall, within such period of not less than three years as may be specified in the scheme, cease to be used for the purpose other than the purpose specified in the scheme;

(c) the purpose to which any plot of land with existing buildings may not be used has been specified in the scheme and the existence of such buildings is inconsistent with the provisions of the scheme, such buildings shall, within such period of not less than ten years as may be specified in the scheme cease to exist:

Provided that such period shall not be less than the reasonable life of the building;

No compensation shall be payable for any plot of land or building adversely affected by the making of town planning scheme.

(4) Any person aggrieved by the decision of the Planning Authority under this section may, within sixty days from the date of the decision, appeal to the prescribed authority or if no authority has been prescribed, to the State Government and the order of such prescribed authority or State Government in appeal shall be final.

(5) The restrictions imposed by sub-sections (1) and (2) shall cease to operate in the event of the State Government refusing to sanction the draft scheme or the final scheme.

36. Power of the State Government to suspend rule, bye-law, etc.—(1) When a Planning Authority has published a declaration of intention to make a scheme under section 29 or the State Government has published a notification under section 31, the State Government may, by notification, suspend to such extent only as may be necessary, for the proper carrying out of the scheme, any rule, bye-law, regulation, notification or order made or issued under any Act of the State Legislature or any of the Acts which the State Legislature is competent to amend.

(2) Any order issued under sub-section (1) shall cease to operate in the event of the State Government refusing to sanction the final scheme or in the event of the coming into force of the final scheme.

CHAPTER VI

TOWN PLANNING OFFICER AND HIS DUTIES

37. Appointment of Town Planning Officer.—(1) Within one month from the date of the publication of the notification sanctioning a draft scheme under sub-section (3) of section 34, the State Government shall appoint a person with prescribed qualifications as Town Planning Officer whose duties shall be as hereinafter provided.

(2) The State Government shall provide such establishment as it thinks necessary to assist the Town Planning Officer in the discharge of his duties.

(3) The Town Planning Officer appointed under sub-section (1) shall be subordinate to the Director and shall perform his duties under this Act, subject to the general control and supervision of the Director.

(4) When a person appointed as Town Planning Officer under sub-section (1) ceases to hold the office and another person is appointed in his place, any proceedings pending before such officer immediately before the date he ceases to hold the office, shall be continued and disposed of by the new Town Planning Officer appointed in his place.

38. Duties of the Town Planning Officer.—(1) Subject to the provisions of sub-section (3) of section 37, the Town Planning Officer shall in accordance with the provisions of this Act and the rules made thereunder, -

(a) define and demarcate the areas allotted to, or reserved, for a public purpose or purpose of the Planning Authority and the reconstituted plots;

(b) determine in the case in which a reconstituted plot is to be allotted to persons in ownership in common, the shares of such persons;

(c) fix the difference between the total of the values of the original plots and the total of the values of the plots included in the final scheme;

(d) determine whether the areas used, allotted or reserved for a public purpose or purpose of the Planning Authority are beneficial wholly or partly to the owners or residents within the area of the scheme;

(e) estimate the portion of the sums payable as compensation on each plot used, allotted or reserved for a public purpose or purpose of the Planning Authority which is beneficial partly to the owners or residents within the area of the scheme and partly to the general public, which shall be included in the costs of the scheme;

(f) calculate the contribution to be levied on each plot used, allotted or reserved for a public purpose or purpose of the Planning Authority which is beneficial partly to the owners or residents within the area of the scheme and partly to the general public;

(g) determine the amount of exemption, if any, from the payment of the contribution, that may be granted in respect of plots exclusively occupied for religious or charitable purposes;

(h) estimate the increment to accrue in respect of each plot included in the final scheme;

(i) calculate the proportion in which the increment of the plots included in the final scheme shall be liable to contribution to the costs of the scheme;

(j) calculate the contribution to be levied on each plot included in the final scheme;

(k) determine, as the case may be, the amount to be deducted from or added to the contribution leviable from a person;

(l) provide for the total or partial transfer of any right in an original plot to a reconstituted plot or provide for the extinction of a right in the original plot;

(m) estimate in reference to claims made before him, the compensation to be paid to the owner of any property for rights injuriously affected by the making of a Town Planning scheme;

(n) draw in the prescribed form the final scheme in accordance with the draft scheme sanctioned by the State Government under section 34:

Provided that he may make variation from the sanctioned draft scheme, subject to the condition that any variation estimated by him to involve an increase of ten per centum in the costs of the scheme or rupees one lakh, whichever is lower, shall require the sanction of the State Government:

Provided further that the Town Planning Officer shall make no substantial variation without the consent of the Planning Authority and without hearing any objections which may be raised by the owners concerned.

(2) If there is any difference of opinion between the Town Planning Officer and the Planning Authority whether variation made by the Town Planning Officer is substantial or not, the matter shall be referred by the Planning Authority to the State Government through the Director and the decision of the State Government shall be final and conclusive.

(3) The Town Planning Officer appointed for any draft scheme shall decide all matters referred to in sub-section (1) within a period of twelve months from the date of his appointment:

Provided that the State Government may, from time to time by order in writing, extend the said period by such further period as may be specified in the order.

39. Certain decisions of the Town Planning Officer to be final subject to an appeal to the Director.—From every decision of the Town Planning Officer, in matters not arising out of clauses (e), (f), (h), (i), (j) and (m) of sub-section (1) of section 38, an appeal shall lie to the Director within one month from the date of the decision and subject to the orders in such appeal, the decision of the Town Planning Officer shall be final and conclusive.

40. Appeal.—(1) Any decision of the Town Planning Officer under clauses (e), (f), (h), (j) and (m) of sub-section (1) of section 38 shall be forthwith communicated to the party concerned and any party aggrieved by such communication of the decision, may appeal to the District Judge within the local limits of whose jurisdiction the area included in the scheme is situated.

(2) The District Judge may transfer an appeal filed before him to the Additional District Judge for disposal.

(3) The District Judge or the Additional District Judge, as the case may be, after making such inquiry as he may think fit, may either direct the Town Planning Officer to

reconsider his proposals or accept, modify, vary or reject the proposals of the Town Planning Officer and shall decide all matters arising out of clauses (e), (f), (h), (i), (j) and (m) of sub-section (1) of section 38.

(4) The District Judge or the Additional District Judge hearing an appeal under this section may require the Town Planning Officer to be present during the hearing. On such requisition the Town Planning Officer shall be present at the proceedings before the Judge and shall assist the Judge in an advisory capacity, but shall not be required to give evidence.

(5) The decision of the District Judge or the Additional District Judge, as the case may be, under sub-section (3) shall be final and conclusive and binding on all persons. A copy of the decision in appeal shall be sent to the Town Planning Officer.

41. Decision of Town Planning Officer to be final if no appeal is filed and variation of scheme in accordance with decision in appeal.—(1) Where no appeal has been made under section 40, the decision of the Town Planning Officer under clauses (e), (f), (h), (i), (j) and (m) of sub-section (1) of section 38 shall be final and conclusive.

(2) Where an appeal has been made under section 40 and a copy of the decision in appeal is received by the Town Planning Officer, such officer shall, if necessary, make variation in the scheme in accordance with such decision and shall then forward the final scheme together with a copy of his decision under section 38 and a copy of the decision in appeal under section 40 to the Director, for obtaining the sanction of the State Government to the final scheme.

CHAPTER VII

DISPUTED OWNERSHIP, PRELIMINARY SCHEMES AND FINAL SCHEME, ITS SANCTION AND ENFORCEMENT

42. Disputed ownership.—(1) Where there is a disputed claim as to the ownership of any piece of land included in an area in respect of which the planning authority has declared under section 29 its intention to make a town planning scheme and any entry in the Record of Rights or Mutation Register relevant to such disputed claim is inaccurate or inconclusive, an inquiry may be held on an application being made by the Planning Authority or the Town Planning Officer, at any time prior to the date on which the Town Planning Officer draws up the final scheme under sub-section (1) of section 38, by such officer as the State Government may appoint for the purpose of deciding who shall be deemed to be the owner for the purposes of this Act.

(2) Such decision shall not be subject to an appeal but it shall not operate as a bar to a regular suit.

(3) Such decision shall, in the event of a Civil Court passing a decree which is inconsistent therewith, be corrected, modified or rescinded in accordance with such

decree as soon as practicable, after such decree has been brought to the notice of the Planning Authority or the Town Planning Officer either by the Civil Court or by some person affected by such decree.

43. Town Planning Officer to prepare preliminary scheme in certain cases.—If a draft scheme as sanctioned by the State Government under section 34 contains any of the following works,-

- (i) construction or alteration of bridges,
- (ii) roads, open spaces, gardens and recreation grounds,
- (iii) drainage, inclusive of sewage, surface drainage and sewage disposal,
- (iv) water supply,
- (v) any other work which, in the opinion of the Town Planning Officer, is for a public purpose,

the Town Planning Officer shall, on the application of the Planning Authority, prepare in regard to such scheme in the prescribed manner a preliminary scheme in accordance with the provisions of section 38:

Provided that it shall not be necessary for the Town Planning Officer at this stage to exercise the powers referred to in clauses (c), (d), (e), (f), (g), (h), (i), (j), (k), (m) and (n) of sub-section (1) of section 38.

44. Power to hand over possession of land required for bridges, roads, etc.—(1) Where a Planning Authority thinks that, in the interest of the public, it is necessary to undertake forthwith any of the works referred to in section 43 and included in a preliminary scheme, the Planning Authority shall make an application through the Director to the State Government to vest in it the land shown in the preliminary scheme.

(2) The State Government, if satisfied, that it is urgently necessary in the public interest to empower the Planning Authority to enter on the land for the purpose of executing any of the works aforesaid, may direct the Town Planning Officer, by notification, to take possession of the land and may also fix the period during which the execution of the said works shall be completed:

Provided that the period so fixed may for sufficient reasons be extended from time to time.

(3) The Town Planning Officer shall then give a notice in the prescribed manner to the person interested in the land requiring him to give possession of his land to the Town Planning Officer or any person authorised by him in this behalf within a period of one month from the date of service of notice and if no possession is delivered within the period specified in the notice, the Town Planning Officer shall take possession of the land and shall hand over the land to the Planning Authority. Such land shall thereupon vest absolutely in the Planning Authority free from all encumbrances.

Town Planning Officer shall then give a notice in the prescribed manner to the person interested in the land requiring him to give possession of his land to the Town Planning Officer or any person authorised by him in this behalf within a period of one month from the date of service of notice and if no possession is delivered within the period specified in the notice, the Town Planning Officer shall take possession of the land and shall hand over the land to the Planning Authority. Such land shall thereupon vest absolutely in the Planning Authority free from all encumbrances.

(4) If the Town Planning Officer is opposed or impeded in taking possession of the land under sub-section (3) he shall request the District Magistrate or any First Class Magistrate having jurisdiction to enforce the delivery of possession of the land to him. Such Magistrate shall take or cause to be taken such steps and use or cause to be used such force as may reasonably be necessary for securing the delivery of possession of the land to the Town Planning Officer.

Explanation.—The power to take steps under this sub-section shall include the power to enter upon any land or other property whatsoever.

(5) The owner of the land the possession of which is taken by the Town Planning Officer under this section shall be entitled to an interest at the rate of 4 per cent per annum on the amount of compensation payable to him under this Act in respect of the said land from the date on which such possession is taken till the date on which the final scheme in which such land is included comes into force or till the land is restored to the owner under sub-section (6), as the case may be.

(6) If the Planning Authority has not executed any works on the land for which the land was vested in the Planning Authority under sub-section (3) within the period fixed under sub-section (2), the Town Planning Officer shall make or tender to the owner or the person interested in the land such compensation for the damage, if any, done to the land as he may think reasonable and shall restore the land to the owner or person interested therein.

45. Final scheme.—(1) Within a period of three months from the date of receipt of the final scheme from the Director under sub-section (2) of section 41, the State Government may, by notification, sanction the scheme or refuse to give such sanction, provided that in sanctioning the scheme the State Government may make such modifications as may, in its opinion, be necessary for the purposes of correcting any error, irregularity or informality.

(2) If the State Government sanctions such scheme, it shall state in the notification,-

- (a) the place at which the final scheme is kept open to inspection by the public;
- (b) the price at which copies may be obtained;

(c) a date (which shall not be earlier than one month after the date of publication of the notification) on which all the liabilities created by the scheme shall take effect and the final scheme shall come into force:

Provided that the State Government may, from time to time postpone such date by notification by such period not exceeding three months at a time as it thinks fit.

(3) On and after the date fixed in such notification the Town Planning scheme shall have effect as if it were enacted in this Act.

46. Effect of final scheme.—(1) On the day on which the final scheme comes into force,—

(a) all lands required by the Planning Authority shall, unless it is otherwise determined in such scheme, vest absolutely in the Planning Authority free from all encumbrances;

(b) all rights in the original plots which have been reconstituted shall determine and the reconstituted plots shall become subject to the rights settled by the Town Planning Officer.

(2) On and after the day on which the final scheme comes into force any person continuing to occupy any land which he is not entitled to occupy under the final scheme may, in accordance with the prescribed procedure, be summarily evicted by the Planning Authority.

47. Power to enforce scheme.—(1) On and after the day on which the final scheme comes into force the Planning Authority may, after giving the prescribed notice and in accordance with the provisions of the scheme,—

(a) remove, pull down or alter any building or other work in the area included in the scheme, which is such as to contravene the scheme or in the erection or carrying out of which, any provisions of the scheme has not been complied with;

(b) execute any work which it is the duty of any person to execute under the scheme, in any case where it appears to the Planning Authority that delay in the execution of the work would prejudice the efficient operation of the scheme.

(2) Any expenses incurred by the Planning Authority under this section may be recovered from the persons in default or from the owner of the plot in the manner provided for the recovery of sums due to the Planning Authority under the provisions of this Act.

(3) If any question arises as to whether any building or work contravenes a Town Planning scheme, or whether any provision of a Town Planning scheme is not complied with in the erection of any such building or the carrying out of any such building or work, it shall be referred to the State Government or the Director if authorised by the State Government in this behalf, and the decision of the State Government or the Director, as the case may be, shall be final and conclusive and binding on all persons.

48. Power to vary scheme on ground of error, irregularity or informality.—(1) If after the final scheme has come into force, the Planning Authority considers that the scheme is defective on account of an error, irregularity or informality, the Planning Authority may apply in writing to the State Government through the Director for the variation of the scheme.

(2) If on receiving such application or otherwise, the State Government is satisfied that the variation required is not substantial, the State Government shall publish a draft of such variation in the prescribed manner.

(3) The draft variation published under sub-section (2) shall state every amendment proposed to be made in the scheme, and if any such amendment relates to a matter specified in any of the clause (a) to (l) of sub-section (2) of section 26, the draft variation shall also contain such other particulars as may be prescribed.

(4) The draft variation shall be open to the inspection of the public at the office of the Planning Authority.

(5) Within one month of the date of publication of the draft variation, any person affected thereby may communicate in writing his objections to such variation to the State Government through the Director and send a copy thereof to the Planning Authority.

(6) After receiving the objections under sub-section (5), the State Government may, after consulting the Director and the Planning Authority and after making such inquiry as it may think fit, by notification, approve the variation with or without modification or refuse to make the variation.

(7) From the date of the notification making the variation, with or without modifications, such variation shall take effect as if it were incorporated in the scheme.

49. Power to revoke or vary town planning scheme.—(1) Notwithstanding anything contained in section 48, a Town Planning scheme may at any time be varied or revoked by a subsequent scheme made, published and sanctioned in accordance with this Act.

(2) The State Government,-

- (a) on the application of the Planning Authority, or
- (b) of its own motion, after making such enquiry as it deems fit and after giving the Planning Authority an opportunity to be heard,

may at any time, after consulting the Director, by notification, revoke a Town Planning scheme if it is satisfied that under the special circumstances of the case the scheme should be revoked.

50. Compensation when the final scheme is varied or revoked and apportionment of costs.—(1) If at any time after the day on which the final scheme has come into force, such scheme is varied or revoked, any person who has incurred

expenditure for the purpose of complying with such scheme shall be entitled to receive compensation from the Planning Authority, in so far as any such expenditure is rendered abortive by reason of the variation or revocation of such scheme.

(2) In the event of sanction to final scheme being refused by the State Government or a final scheme being revoked, the State Government may direct that the costs of the scheme shall be borne by the Planning Authority or be paid to the Planning Authority by the owners concerned, in such proportion as the State Government may in each case determine.

51. Joint Town Planning Schemes.—(1) When two or more Planning Authorities are of opinion that the interests of contiguous areas within their respective jurisdictions can best be served by the making of a Joint Town Planning scheme, and the State Government agrees with such opinion, a Joint Town Planning Board shall be constituted.

(2) Such Board shall consist of representatives of each of the several Planning Authorities duly elected in the prescribed manner and of persons nominated by the State Government.

(3) Such Board, when duly constituted, shall make a declaration of the intention to make a Joint Town Planning Scheme in respect of the contiguous areas in the manner provided in section 29, and thereafter the Board shall have all the powers and be liable to all the duties of the Planning Authority under this Act and all the provisions in respect of procedure shall apply, so far as may be applicable.

(4) The draft joint town planning scheme shall specify the parts of the scheme to be executed by the several Planning Authorities in the several contiguous areas and the several parts of the scheme shall, when notified in the final scheme, have effect in the several contiguous areas, as if they are separate schemes:

Provided that any part of a Joint Town Planning Scheme may be executed jointly by two or more Planning Authorities.

52. Delegation of certain powers of Joint Town Planning Board.—A Joint Town Planning Board may, by order in writing, direct that all or any of the powers conferred on it by section 35, sub-section (2) of section 46 and section 47 shall, in such circumstances and under such conditions, if any, as may be specified in the order, be exercised by such officer as the Joint Town Planning Board may specify in the order.

53. Right to appear by recognised agent.—Every party to any proceeding before the Town Planning Officer or the Officer to whom under section 52, the Joint Town Planning Board has delegated its powers, shall be entitled to appear either in person or by his recognised agent.

54. Power to compel attendance of witnesses, etc.—For the purposes of this Act, an officer appointed under sub-section (1) of section 42, or a Town Planning

Officer or an Officer to whom the Joint Town Planning Board has under section 52 delegated its powers, may summon and enforce the attendance of witnesses including the parties interested or any of them and compel them to give evidence and compel the production of documents by the same means and, as far as possible, in the same manner as is provided in the case of a Civil Court by the Code of Civil Procedure, 1908. ¹[x x x]¹

1. Chapter No. and Heading omitted by Act 14 of 1964 w.e.f. 26.03.1964.

55. Costs of a scheme.—(1) The costs of a Town Planning scheme shall include,—

(a) all sums payable by the Planning Authority under the provisions of this Act, which are not specifically excluded from the costs of the scheme;

(b) all sums spent or estimated to be spent by the Planning Authority in the making and in the execution of the scheme;

(c) all sums payable as compensation for land reserved or designated for any public purpose or purpose of the Planning Authority, which is solely beneficial to the owners or residents within the area of the scheme;

(d) such portion of the sums payable as compensation for land reserved or designated for any public purpose or purpose of the Planning Authority, which is beneficial partly to the owners or residents within the area of the scheme and partly to the general public, as is attributable to the benefit accruing to the owners or residents within the area of the scheme from such reservation or designation;

(e) all legal expenses incurred by the Planning Authority in the making and in the execution of the scheme;

(f) any amount by which the total of the values of the original plots exceeds the total of the values of the plots included in the final scheme, each of such plots being estimated at its market value on the date of the declaration of intention to make a scheme, with all the buildings and works thereon on that date and without reference to improvements contemplated in the scheme other than improvements due to the alteration of its boundaries.

(2) If, in any case, the total of the values of the plots included in the final scheme exceeds the total of values of the original plots, each of such plots being estimated in the manner provided in clause (f) of sub-section (1), then the amount of such excess shall be deducted in arriving at the costs of the scheme, as defined in sub-section (1).

56. Calculation of increment.—For the purposes of this Act, the increment shall be deemed to be the amount by which on the date of the declaration of intention to make a scheme, the market value of a plot included in the final scheme estimated on the assumption that the scheme has been completed would exceed on the same date

the market value of the same plot estimated without reference to improvements contemplated in the scheme:

Provided that in estimating such values, the value of buildings or other works erected or in the course of erection on such plot shall not be taken into consideration.

57. Contribution towards costs of scheme.—(1) The costs of the scheme shall be met wholly or in part by a contribution to be levied by the Planning Authority on each plot included in the final scheme calculated in proportion to the increment which is estimated to accrue in respect of such plot by the Town Planning Officer:

Provided that,—

(a) no such contribution shall exceed one-third of the increment estimated by the Town Planning Officer to accrue in respect of such plot;

(b) where a plot is subject to a mortgage with possession or to a lease, the Town Planning Officer shall determine in what proportion the mortgagee or lessee on the one hand and the mortgagor or lessor on the other hand, shall pay such contribution;

(c) no such contribution shall be levied on a plot used, allotted or reserved for a public purpose or purpose of the Planning Authority which is solely for the benefit of owners or residents within the area of the scheme; and

(d) the contribution levied on a plot used, allotted or reserved for a public purpose or purpose of the Planning Authority, which is beneficial partly to the owners or residents within the area of the scheme and partly to the general public shall be calculated in proportion to the benefit estimated to accrue to the general public from such use, allotment or reservation.

(2) The owner of each plot included in the final scheme shall be primarily liable for the payment of the contribution leviable in respect of such plot.

58. Certain amount to be added to or deducted from contribution leviable from a person.—The amount by which the total value of the plots included in the final scheme with all the buildings and works thereon allotted to a person falls short of or exceeds the total value of the original plots with all the buildings and works thereon of such person shall, as the case may be, be deducted from or added to the contributions leviable from such person, each of such plots being estimated at its market value on the date of the declaration of intention to make a scheme or the date of a notification under section 31 and without reference to improvements contemplated in the scheme other than improvements due to the alterations of its boundaries.

59. Transfer of right from original to reconstituted plot or extinction of such right.—Any right in an original plot which in the opinion of the Town Planning Officer is capable of being transferred wholly or in part, without prejudice to the making of a Town-Planning scheme to a reconstituted plot shall be so transferred and any right in

an original plot which in the opinion of the Town Planning Officer is not capable of being so transferred shall be extinguished:

Provided that an agricultural lease shall not be transferred from an original plot to a reconstituted plot without the consent of all the parties to such lease.

60. Compensation in respect of property or right injuriously affected by scheme.—The owner of any property or right which is injuriously affected by the making of a Town Planning scheme shall, if he makes a claim before the Town Planning Officer within the prescribed time, be entitled to obtain compensation in respect thereof from the Planning Authority or from any person benefited or partly from the Planning Authority and partly from such person as the Town Planning Officer may in each case determine:

Provided that the value of such property or right shall be held to be its market value on the date of the declaration of intention to make a scheme or the date of a notification under section 31 without reference to improvements contemplated in the scheme.

61. Exclusion or limitation of compensation in certain cases.—(1) No compensation shall be payable in respect of any property or private right of any sort which is alleged to be injuriously affected by reason of any provisions contained in the Town Planning scheme, if under any other law for the time being in force applicable to the area for which such scheme is made, no compensation is payable for such injurious affection.

(2) Property or a private right of any sort shall not be deemed to be injuriously affected by reason of any provision inserted in a Town Planning scheme, which, with a view to securing the amenity of the area included in such scheme or any part thereof, imposes any conditions and restrictions in regard to any of the matters specified in clause (j) of sub-section (2) of section 26.

62. Provision for cases in which amount payable to owner exceeds amount due from him.—If the owner of a original plot is not provided with a plot in the final scheme or if the contribution to be levied from him under section 57 is less than the total amount payable to him under any of the provisions of this Act, the net amount of his loss shall be payable to him by the Planning Authority in cash or in such other way as may be agreed upon by the parties.

63. Provisions for cases in which value of developed plot is less than the amount payable by owner.—(1) If, from any cause, the total amount which would be due to the Planning Authority under the provisions of this Act from the owner of a plot to be included in the final scheme, exceeds the value of such plot estimated on the assumption that the scheme has been completed, the Town Planning Officer shall, at the request of the Planning Authority, direct the owner of such plot to make payment to the Planning Authority of the amount of such excess.

(2) If such owner fails to make such payment within the prescribed period, the Town Planning Officer shall, if the Planning Authority so requests, acquire the original plot of such defaulter and apportion the compensation among the owner and other persons interested in the plot on payment by the Planning Authority of the value of such plot estimated at its market value on the date of the declaration of intention to make a scheme or the date of a notification under section 31 and without reference to improvements contemplated in the scheme, and thereupon the plot included in the final scheme shall vest absolutely in the Planning Authority free from all encumbrances, but subject to the provisions of this Act:

Provided that the payment made by the Planning Authority on account of the value of the original plot shall not be included in the costs of the scheme.

64. Payment by adjustment of account.—All payments due to be made to any person by the Planning Authority under this Act shall, as far as possible be made by adjustment in such person's account with the Planning Authority in respect of the plot concerned or of any other plot in which he has an interest and failing such adjustment shall be paid in cash or in such other way as may be agreed upon by the parties.

65. Payment of net amount due to Planning Authority.—(1) The net amount payable under the provisions of this Act by the owner of a plot included in the final scheme may, at the option of the contributor, be paid in lump sum or annual instalments not exceeding ten. If the owner elects to pay the amount by instalments, interest at four and a half per cent per annum shall be charged on the net amount payable. If the owner of a plot fails to so elect on or before the date specified in a notice issued to him, he shall be deemed to have elected to pay the contribution by instalments and the interest on the contribution shall be calculated from the date specified in the notice, being the date before which he was required to make an election as aforesaid.

(2) Where two or more plots included in the final scheme are in the same ownership, the net amount payable by such owner under the provisions of this Act shall be distributed over his several plots in proportion to the increment which is estimated to accrue in respect of each plot, unless the owner and the Planning Authority agree to a different method of distribution.

66. Power of Planning Authority to make agreements.—(1) A Planning Authority shall be competent to make any agreement with any person in respect of any matter which is to be provided for in a Town Planning scheme, subject to the power of the State Government to modify or disallow such agreement and unless it is otherwise expressly provided therein, such agreement shall take effect on and from the date on which the Town Planning scheme comes into force.

(2) Such agreement shall not in any way affect the duties of the Town Planning Officer as described in Chapter VI or the rights of third parties, but it shall be binding on

the parties to the agreement notwithstanding any decision that may be made by the Town Planning Officer:

Provided that, if the agreement is modified by the State Government, either party shall have the option of avoiding it if it so elects.

67. Recovery of arrears.—(1) Any sum due to the Planning Authority under this Act or any regulation made thereunder shall be a first charge on the plot on which it is due, subject to the prior payment of land revenue, if any, due to the State Government thereon.

(2) Any sum due to the Planning Authority under this Act or any regulation made thereunder which is not paid on the date fixed by the Planning Authority, of which due notice is given in this behalf, shall be recoverable by the Planning Authority by distress and sale of the goods and chattel of the defaulter as if the amount thereof were a property tax due by the defaulter.

(3) In lieu of the recovery of the dues of the Planning Authority in the manner provided in sub-section (2) or after recovering part of the dues of the Planning Authority in the manner provided in sub-section (2), any sum due or the balance of any sum due as the case may be, by such defaulter may be recovered from him by a suit in any court of competent jurisdiction.

68. Powers of Planning Authority to borrow money for development plan or for making or executing a Town Planning scheme.—(1) A Planning Authority may, for the purpose of an outline or comprehensive development plan or the making or execution of a Town Planning scheme, borrow loans in accordance with the provisions of the Act under which the Planning Authority as a local authority is constituted or if such Act does not contain any provision for such borrowing in accordance with any other law for the time being in force.

(2) Any expense incurred by a Planning Authority or the State Government under this Act or in connection with an outline or comprehensive development plan or a Town Planning scheme, may be defrayed out of the funds of the Planning Authority.

[CHAPTER VIII

1. Inserted by Act 14 of 1964 w.e.f. 26.03.1964

FINANCE, ACCOUNTS AND AUDIT

68A. Funds of Planning Authority.—(1) Every Planning Authority shall have and maintain a separate fund to which shall be credited,—

(a) all moneys received by the Planning Authority from the State Government by way of grants, loans, advances or otherwise;

(b) all charges or fees received by the Planning Authority under this Act or rules, regulations or bye-laws made thereunder;

(c) in the case of a Planning Authority constituted under section 4C, such contributions from the Fund or Funds of the local authority or local authorities of the area included in the planning area, as such local authority or local authorities may from time to time be required by the State Government to make to such Planning Authority;

(d) all moneys received by the Planning Authority from any other source.

(2) The Fund shall be applied towards meeting,—

(a) the expenditure incurred in the administration of this Act;

(b) the cost of acquisition of land in the planning area for the purposes of development;

(c) the expenditure for such other purposes as the State Government may direct.

68B. Budget of the Planning Authority.—Every Planning Authority shall prepare in such form and at such time every year as may be prescribed, a budget in respect of the financial year next ensuing, showing the estimated receipts and expenditure of the Planning Authority in respect of the administration of this Act and shall forward to the State Government and the Board, such number of copies thereof as may be prescribed.

68C. Accounts and Audit.—(1) Every Planning Authority shall maintain proper accounts and other relevant records and prepare an annual statement of accounts including the balance sheet in such form as may be prescribed.

(2) The accounts of every Planning Authority shall be subject to audit annually by the Controller of State Accounts.

(3) The accounts of every Planning Authority as certified by the Controller of State Accounts together with the audit report thereon shall be forwarded annually to the State Government and the Board.

68D. Annual Reports.—Every Planning Authority shall prepare for every year a report of its activities under this Act during that year and submit the report to the State Government and the Board in such form on or before such date as may be prescribed.]¹

CHAPTER IX

LAND ACQUISITION

¹[69. Acquisition of land designated for certain purposes in a Master Plan.- (1) The Planning Authority may acquire any land designated in a Master Plan for a specified purpose in clause (b), (c) or (d) of sub-section (1) of section 12, or for any public purpose out of those specified land in clause (a) of sub-section (1) of section 12 by agreement or under the Land Acquisition Act, 1894 (Central Act I of 1894) as in force

in the State. If the land is acquired under the Land Acquisition Act, 1894, the provisions of said Act as amended by section 72 of this Act shall apply to the determination of compensation for the acquisition of such land.

(2) If the designated land, except land specified for the purpose in clause (b) of sub-section (1) of section 12, is not acquired by agreement within five years from the date, the Master Plan is published in the gazette under sub-section (4) of section 13 or if the proceedings under Land Acquisition Act are not commenced within such period the designation shall be deemed to have been lapsed.]¹

1. Substituted by Act 1 of 2005 w.e.f. 14.02.2005.

70. Land acquisition for purposes of a scheme or Development Plan to be deemed for a public purpose.—Land needed for purpose of a Town Planning scheme or ¹[Master Plan]¹ shall be deemed to be land needed for a public purpose within the meaning of the Land Acquisition Act, 1894.

1. Substituted by Act 1 of 2005 w.e.f. 14.02.2005.

71. Power of State Government to acquire lands included in a scheme.—(1) If, at any time, the State Government is of opinion that any land included in a Town Planning scheme is needed for a public purpose other than that for which it is included in the scheme, it may make a declaration to that effect in the Official Gazette in the manner provided in section 6 of the Land Acquisition Act, 1894. The declaration so published shall, notwithstanding anything contained in the said Act, be deemed to be a declaration duly made under the said section.

(2) On the publication of a declaration under sub-section (1) the Deputy Commissioner shall proceed to take order for the acquisition of the land and the provisions of the Land Acquisition Act, 1894, as amended by section 72 of this Act, shall, so far as may be, apply to the acquisition of the said land.

(3) In the proceedings under the Land Acquisition Act, 1894, the Planning Authority concerned shall be deemed to be a person interested in the land acquired and in determining the amount of compensation to be awarded to the Planning Authority, the Deputy Commissioner or the Court, as the case may be, may take into consideration the value, if any, paid by the Planning Authority for the acquisition of the said land under section 70 or otherwise and the proportionate cost of the scheme, if any, incurred by the Planning Authority and rendered abortive by reason of the variation of the scheme on account of such acquisition.

(4) On the land vesting in the State Government under section 16 or section 17 of the Land Acquisition Act, 1894, as the case may be, the scheme shall be deemed to have been suitably varied by reason of acquisition of the land.