

KARNATAKA ACT NO. 31 OF 2021
THE KARNATAKA TOWN AND COUNTRY PLANNING
(AMENDMENT) ACT, 2021

Sections:

1. [Short title and commencement](#)
2. [Insertion of new sections 4-I, 4-J and 4-K.](#)
3. [Amendment of section 14-B.](#)
4. [Amendment of section 17.](#)
5. [Repeal and savings.](#)

STATEMENT OF OBJECTS AND REASONS

ACT 31 OF 2021.- It is considered necessary to amend the Karnataka Town and Country Planning Act, 1961, to,-

(i) overcome ambiguity and inconsistency in the Act and to specify the Town and Country Planning officer for carrying out the provisions of the Act with respect to the preparation of master plan in areas where local authority is declared as planning authority;

(ii) empower and enable the Local Authority and to maintain the object of the Act and to regulate the developments during the preparation of master plan where planning authority is not constituted;

(iii) empower and enable the Director of Town and Country planning to maintain the object of the Act in the areas other than local planning areas and to regulate development in such areas;

(iv) encourage speedy land acquisition for infrastructure works and to simplify the issuance of TDR for private property given for such projects as announced in 2021-2022 budget; and

(v) facilitate disposal of sites by registration by the developers in phased manner in the ratio of 40:60 viz. 40 percent of sites on provisional approval of the layout and remaining 60 percent after fully developing sites with all infrastructure and care is also taken to protect the interest of the purchaser of site, subject to registration of mortgage of corner sites in favour of the planning authority, which shall be released after completion of all developments of the layout.

As the matter was urgent and both the Houses of the State Legislature were not in session, the Karnataka Town and Country Planning (Amendment) Ordinance, 2021 (Karnataka Ordinance 06 of 2021) and the Karnataka Town and Country Planning (Second Amendment) Ordinance, 2021 (Karnataka Ordinance 07 of 2021) were promulgated to achieve the above object.

This Bill seeks to replace the above ordinances.

Hence, the Bill.

[L.A. Bill No. 33 of 2021, File No. Samvyashae 36 Shasana 2021]

[Entry 5 and 18 of List II of the Seventh Schedule to the Constitution of India.]

[Published in Karnataka Gazette Extra-ordinary No. 818 in part-IVA dated: 07.10.2021]

KARNATAKA ACT NO. 31 OF 2021

(First published in the Karnataka Gazette Extra-ordinary on the 7th day of October, 2021)

THE KARNATAKA TOWN AND COUNTRY PLANNING (AMENDMENT) ACT, 2021

(Received the assent of the Governor on the 5th day of October, 2021)

An Act further to amend the Karnataka Town and Country Planning Act, 1961.

Whereas it is expedient further to amend the Karnataka Town and Country Planning Act, 1961 (Karnataka Act 11 of 1963) for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the seventy second year of the Republic of India as follows, namely:-

1. Short title and commencement.- (1) This Act may be called the Karnataka Town and Country Planning (Amendment) Act, 2021.

(2) The section 2 and 3 shall be deemed to have come into force with effect from the 12th day of August, 2021, section 4 shall be deemed to have come into force with effect from the 5th day of July, 2021 and other provisions shall come into force at once.

2. Insertion of new sections 4-I, 4-J and 4-K.- In the Karnataka Town and Country Planning Act, 1961 (Karnataka Act 11 of 1963) (hereinafter referred to as the Principal Act), after section 4H, the following shall be inserted, namely:-

“4-I. Town and country planning officer for local authority.- (1) In respect of Planning Authority defined under sub-clause (b) of clause (7) of section 2, at the time of constituting the authority, the State Government in consultation with the Director of Town and Country planning, shall designate an officer not below the rank of Assistant Director from the department of Town and Country Planning, who must be a holder of Bachelor’s degree or Master’s degree in Town Planning as Town and country planning officer cum member secretary.

(2) The officer designated under sub-section (1) shall be subordinate to the Director of Town and Country planning and exercise the powers and perform functions specified in sub-section (3) and (4) and shall co-ordinate and assist the functions of the planning authority, subject to the general control and supervision of the Director.

(3) The officer designated shall exercise the powers and discharge the functions of the Member Secretary of the Planning Authority in respect of section 5 to sections 13 of the Act.

(4) The officer designated shall carry out survey of the planning area, prepare an existing-land-use map and master plan for the local planning area and forward the same to the Planning Authority.

(5) The expenditure incurred towards the preparation of master plan shall be borne by the local authority as specified under section 68-A of the Act.

4-J. Functions of the Planning Authority.- (1) The functions of the Planning Authority shall be as follows, namely:-

- (i) Preparing plan, promoting and regulating the orderly growth of urban and rural area, including land use;
- (ii) circulation, preparation and implementation of the master plan; and
- (iii) preparing and execution of town planning schemes and development schemes and securing the development of the local planning area.

(2) To carry out the functions specified under sub-section (1), the Planning Authority shall have the power to undertake study and survey, acquire, hold, manage and dispose of moveable and immovable property within the local planning area, to carry out building, engineering and other operations and generally to do all things necessary or expedient for the purpose of such development and for purposes incidental thereto.

4-K. Development of land in an area other than the local planning area.- (1) Any person intending to carry out development on any land in an area other than the local planning area as notified under section 4-A, shall make an application in writing to the local authority for permission in such form and containing such particulars and with such documents as may be specified in the regulations.

(2) The local authority shall, before according permission under sub-section (1), shall obtain prior approval of the Director of Town and Country planning or any subordinate officer not below the rank of Assistant Director of Town Planning, authorised by him.

(3) The State Government shall notify the regulations for development, including earmarking space for parks, civic amenities and utilities for such areas, in consultation with the Director of Town and Country planning.

(4) The Director of Town and Country planning may authorize his subordinate officer not below the rank of Assistant Director of Town Planning, for the regulation of such developments.

(5) The regulations notified by the Government under sub-section (3) shall be applicable to the respective jurisdiction of the local authority in such area.

(6) The Director of Town and Country planning may levy a fee for development as notified by the Government, from time to time.

(7) The fee collected under sub-section (6) shall be remitted to the consolidated fund of the State.

(8) Wherever the planning areas are declared under section 4-A, till the constitution of the Planning Authority under section 4-C, the local authority shall obtain prior approval of the Director of Town and Country planning or any subordinate officer not below the rank of Assistant Director of Town Planning, authorised by him, before according permission under sub-section (1).

(9) Where any development of land has been carried out,-

(a) without permission under this section; and

(b) in contravention of any permission granted or any condition subject to which permission has been granted.

the local authority shall exercise the powers as under the relevant laws time being in force to initiate appropriate action.

(10) Where local planning area is not declared under section 4-A, in such areas,-

(a) the department of Town and Country planning shall provide the village extension plan for development and opinion for diversion of land uses under the provisions of this Act and the Karnataka Land Revenue Act, 1964 as notified by the Government.

(b) the Director of Town and Country planning or the officer authorized by him not below the rank of Assistant Director of Town Planning, who must be a holder of Bachelor's degree or Master's degree in Town Planning, may prepare village or settlement extension plans sought by the Central or the State Government departments or Board, authority or

body constituted by or under any law and owned or controlled by the State or the Central Government as mandated for areas notified for any State or Central Government schemes, where local planning area is not declared.”

3. Amendment of section 14-B.- In the Principal Act, in section 14-B,-

(1) in sub-section (1),-

(a) after the words “The Planning Authority shall issue Development Rights” the words “in the form of Notional land” shall be inserted;

(aa) the following shall be inserted at the end, namely:-

“The site remaining after surrender shall have same floor area which was available before surrender for the original site or land as per regulation.”;

(b) after sub-section (1), the following proviso shall be inserted, namely:-

“Provided that, any ‘Area’ surrendered in the above manner before 03.06.2004 shall not be eligible for Development Rights.”

(2) for sub-section (3), the following shall be substituted, namely:-

“(3) No Development Rights shall be granted under this section unless the Public Authority deposits the amount with Local Authority equal to one percent of the market value of the area required:

Provided that, the State or Central Government Agencies for the development of affordable housing projects, slum redevelopment projects, Local Authority and Planning Authority are exempted from such deposition.”

(3) for sub-section (4), the following shall be substituted, namely:-

“(4) whenever, the Public Authority intends to procure any ‘Area’ for any public purpose under sub-section (1), it shall follow the prescribed procedure to,-

(i) notify the details of the Area, seeking consent or objection from the owners of the Area or interested persons, to surrender the Area by availing Development Rights, instead of monetary compensation, within thirty days from the date of publication of the notification in the Official Gazette and in two daily newspapers;

(ii) get the consent of the owners to surrender the ‘Area’ by availing Development Rights;

(iii) issue Provisional Acceptance Order and take physical possession of the ‘Area’ agreed to be surrendered by the owner;

- (iv) get the Relinquishment deed executed and registered in favour of the Public Authority; and
- (v) recommend to the Planning Authority to issue Development Rights Certificate to the owners for the Area surrendered with a certificate that no development rights certificate or compensation had been issued in this regard by any Public Authority or Planning Authority:

Provided that, in case the land owner or interested persons submit the claim to surrender the remaining portion of the land notified under clause (i) as the land is rendered unfit for the beneficial use of the land owner or interested persons, the Public Authority shall conduct the enquiry and pass suitable order to procure the remaining portion of the land and obtain the registered relinquishment deeds from the land owners.”

(3A) for sub-section (5), the following shall be substituted, namely :-

“(5) on receipt of the recommendation from the Public Authority, the Planning Authority shall, after verification that no Transferable Development Right has been issued before by that Planning Authority on the same parcel of land, within thirty days from the date of receipt of recommendations issue Development Right Certificate to the owner in the prescribed form, under intimation to the Public Authority specifying the extent of notional land as Development rights admissible subject to such terms and conditions as may be prescribed. Any liability with respect to the issue of Development right arising out of the action of the Public Authority under sub-section (4) shall be limited to the Public Authority and the Planning Authority shall not be held responsible for the same.”

(4) sub-section (9), shall be omitted.

(4A) after sub-section (10), the following proviso shall be inserted, namely :-

“Provided that, in cases where land has been procured and possession has been taken by the Public Authority five years or more prior to the date of commencement of the Karnataka Town and Country Planning (Amendment) Act, 2021 for the purpose specified above but no Development Right Certificate has been issued till the commencement of the said amendment Act, in such procurement process land owners shall be eligible for benefit of Development Rights as per the said amendment Act.”

(5) for sub-section (13), the following shall be substituted, namely:-

“(13) The Development rights may be utilized within the same plot or in other area in the same Local Planning area or as notified by the Government, by the owner or the owner of such Development Rights may transfer the Development rights to a transferee as Transferable Development Rights which may be sold or utilized in any area as prescribed within the Local Planning Area or as notified by the Government.”

(6) in sub-section (19),-

(a) after the words “Planning Authority” the words “and Public Authority” shall be inserted; and

(b) at the end, the following shall be inserted, namely:-

“and for stocking, banking and trading of Development Rights or Transferrable Development Rights in the State.”

(7) in sub-section (22), for the words “order of the Planning Authority” the words “decision of the Public Authority or Planning Authority” shall be substituted.

(8) in sub-section (24), after the words “The Member Secretary of the Planning Authority” the words “or the Chief Executive Officer of the Public Authority, as the case may be,” shall be inserted.

(9) for the Table and the entries relating thereto, the following shall be substituted, namely:-

“Table

[see sub-section (1)]

QUANTUM OF DEVELOPMENT RIGHTS PERMITTED

Sl. No.	Area Surrendered	Development Rights permitted
1	Land Development Rights	
	(i) Any road widening/any road formation as proposed in Master Plan or as proposed by the Local Authority or Developing Authority. (ii) Any Infrastructure Projects approved by the Government (Transportation, Water Supply, Sewage, Electricity, etc.,).	DR in the form of notional land which shall be equal to two times of the Area surrendered.

	<p>(iii) Providing for parking, Parks, playgrounds, and open spaces, or any other public places proposed in the Master Plan or proposed by Local Authority and redevelopment projects on private land</p> <p>(iv) Providing EWS/LIG/affordable housing/Slum redevelopment project on private land</p> <p>(v) Any other public purpose notified by the Government from time to time.</p>	
2	Building Development Rights	
a.	<p>All types of buildings. (The Area considered for quantum of Development Rights shall be the Area surrendered limited to the allowable Floor Area Ratio (FAR) for such building area.)</p>	<p>Development Rights in the form of notional land which shall be equal to two times the land area derived by dividing the value of the building / portion of the building surrendered, by the market value of the land / plot on which the building is situated.</p> <p>The method of valuation of building shall be as prescribed.</p>

(10) after the Note of the Table, under the heading Explanation,-

(a) in clause (b), the words “This amount shall be equal to the market value of the area to be acquired” shall be omitted.

(b) for clause (k), the following shall be substituted, namely:-

“(k) “Transferable Development Rights” (TDR) means the Development Right in the form of notional land transferred by the owner to a transferee, which may be sold or disposed or utilized elsewhere in the Local Planning Area or any other area notified by the Government. The DR of the ‘Area’ surrendered in the form of Notional land, shall be permitted to be utilized as TDR, only after factorizing the market value of the originating plot and the receiving plot, as specified in the terms and conditions; and

(c) after clause (k), so substituted, the following shall be inserted, namely:-

“(l) “Transferred Development Rights Certificate” (TDRC) means the certificate of Development Rights transferred by the DRC holder as TDR. TDRC shall also be issued for the TDR transferred by any subsequent TDRC holder.”

4. Amendment of section 17.- In the the Principal Act, in section 17,-

(1) for sub-section (2-C), the following shall be substituted, namely:-

“(2-C) The Planning Authority, if a person so desires, may also permit the release of sites in two stages. In such a case, the Planning Authority on approval of the provisional layout plan release forty percent of the sites in the layout in the first stage and shall release the remaining sixty percent of the sites on completion of all development works in the following manner, namely:-

(i) On approval of the provisional layout plan in the prescribed manner before releasing forty percent of sites, the Planning Authority shall,-

(a) obtain the registered relinquishment deed, in the prescribed form, from the applicant to relinquish the areas reserved and demarcated for park, playground and the roads in the layout to the Local Authority and the area reserved and demarcated for civic amenities to the Planning Authority without claiming any compensation;

(b) shall also obtain the registered mortgage agreement of all the corner sites in the layout to the Planning Authority; and

(c) ensure that the project is registered under the Real Estate (Regulation and Development) Act, 2016 (Central Act 16 of 2016).

(ii) After obtaining above documents the planning Authority shall release forty percent of the sites scattered in the layout showing the building sites released affixing the seal of the Authority on the provisionally approved layout plan which shall be sent to the Local Authority for issue of khata of such sites for registration purpose under the Karnataka Stamps Act, 1957 (Karnataka Act 34 of 1957) and the Registration Act, 1908 (Central Act XVI of 1908).

(iii) The Planning Authority shall ensure the completion of all development works including all infrastructure facilities as specified under sub-section (2-A), on conducting inspection by the concerned Authority or

Agency or Department within three years from the date of approval of the provisional layout plan. In case the completion certificates for completion of all development works are not obtained within three years from the date of approval of the provisional layout plan, the Planning Authority may for the reasons to be recorded extend the period for completion of development by a further period of one year.

(iv) On completion of all development works and obtaining the completion certificates within three years or within the extended period and obtaining the certificate of completion from the concerned Authority or Agency or Department including the development of the park, playground and civic amenity sites, the Planning Authority shall approve the final layout plan releasing the remaining sixty percent of the sites along with the corner sites mortgaged to the Authority. A copy of the finally approved layout plan, affixing the seal of the Planning Authority, showing the building sites released shall be sent to the Local Authority for issue of khata of such sites for registration purpose under the Karnataka Stamps Act, 1957 (Karnataka Act 34 of 1957) and the Registration Act, 1908 (Central Act XVI of 1908):

Provided that, in case the development works are not completed within the period specified under clause (iii), the corner sites mortgaged to the Planning Authority shall be forfeited to the Planning Authority”.

(2) After sub-section (2-C), so substituted, the following shall be inserted, namely:-

“(2-D). In case of layout provisionally approved under sub-section (2-B), the development works specified under sub-section (2-A) shall be completed within a period of three years from the date of approval of the provisional layout plan:

Provided that, the Planning Authority may, on application made in this behalf, for reasons to be recorded in writing, extend the period for development of the layout to such further period not extending one year, as it considers necessary. In case the development works are not completed within such specified period, the permission granted by the Planning Authority shall lapse. The applicant shall thereafter seek fresh approval following due procedure.

(2-E). Any building site which has not been released by the Planning Authority under this Act shall not be issued any Khata or given property index number (e-khata) under the Karnataka Municipalities Act, 1964 (Karnataka Act 22 of 1964), the Karnataka Municipal Corporations Act, 1976 (Karnataka Act 14 of 1976), the Karnataka Gram Swaraj and

Panchayat Raj Act, 1993 (Karnataka Act 14 of 1993) or the Bruhat Bengaluru Mahanagara Palike Act, 2020 (Karnataka Act 53 of 2020) as the case may be”.

5. Repeal and savings.- (1) The Karnataka Town and Country Planning (Amendment) Ordinance, 2021 (Karnataka Ordinance 06 of 2021) and the Karnataka Town and Country Planning (Second Amendment) Ordinance, 2021 (Karnataka Ordinance 07 of 2021) are hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinances, shall be deemed to have been done or taken under the Principal Act, as amended by this Act.

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

G. SRIDHAR
Secretary to Government
Department of Parliamentary Affairs
and Legislation