

Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) Act, 2006

ANDHRA PRADESH

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Act 3 of 2006

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1. [Amended by Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) (Amendment) Act, 2012 (Act 16 of 2012) on 14 May 2012]

Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) Act, 2006(Act No. 3 of 2006)Statement of Objects and Reasons. - The Andhra Pradesh Legislature have enacted the Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) Act, 2006 so as to provide for levying one time conversion fee instead for levying annual Non-Agricultural Assessment Tax.Sub-section (1) of Section 3 of the said Act provides that "No Agricultural Land in the State shall be put to non-agricultural purposes, without the prior permission of the competent authority, sub-section (2) of Section 3 provides that an application for such conversion of the agricultural land for non-agricultural purposes shall be made before the competent authority in the form prescribed alongwith Conversion Tax as specified under Section 4" and sub-section (1) of Section 4 provides that "with effect on and from the date of commencement of this Act, every owner or occupier of agriculture land shall have to pay a Conversion Tax for non-agricultural purposes, at the rate of 9% of the basic value of the land in the areas as may be notified by the Government from time to time and proviso to this sub-section provides that the owner or occupier of agriculture land in the areas covered under Greater Hyderabad Municipal Corporation, Greater Visakhapatnam Municipal Corporation and Vijayawada Municipal Corporation shall have to pay a conversion tax for non-agricultural purpose at the rate of 5% of the basic value of the land.".Further, Section 5 of the said Act provides that the Revenue Divisional Officer or any officer to be notified by the Government in this behalf shall be competent to order, in respect of the land situated within his territorial jurisdiction, conversion of land use from agricultural purpose to non-agricultural purposes.".Government have received information from various sources that the procedure for obtaining permission was cumbersome and needed to be simplified so as to facilitate the entrepreneurs and industrialists to convert the land with ease for taking up various projects. The

matter was discussed in the Meeting of Council of Ministers held on 24.6.2016 and it was decided that certain amendments may be made to the said Act so that no one need to go to the office of Revenue Divisional Officer for permission. Instead, the concerned person may make the payment of Conversion Tax and the challan may be treated as the permission. Accordingly, certain amendments were placed before the Council of Ministers in the meeting held on 18.10.2016 and were approved. Subsequently, requests have been received from public representatives had entrepreneurs that the rate of tax was very high which was discouraging the industrialists from setting up new industries or from taking up housing projects. The matter was discussed in the meeting of Council of Ministers on 15.10.2016, it was decided that the subject whether the Conversion Tax should be repealed or reduced may be referred to the Group of Ministers constituted vide G.O. Rt. No.1703, GA (Cabinet) Department dated 11.8.2016. The Group of Ministers, after deliberation on all issue, has made the following recommendations,-(a) The Conversion Tax may be reduced from 9% to 3% in the areas other than Greater Visakhapatnam and Vijayawada Municipal Corporation areas and from 5% to 2% in Greater Visakhapatnam and Vijayawada Municipal Corporation areas.(b) The land allotted to the Andhra Pradesh Industrial Infrastructure Corporation may be exempted from the purview of the Conversion Tax subject to condition that they will convert the land and before further allotment to the entrepreneurs.(c) The amount collected under Conversion Tax may be utilized as user charges by the Collecting Department i.e., Revenue Department, by creating a separate Sub-Head of Account for various urgent needs of Department.After examining the recommendations and suggestions of the Group of Ministers, Government have decided to accept the same and make a suitable amendment to the Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) Act, 2006.This Bill seeks to give effect to the above decisions.[Dated 2nd January, 2006]An Act to Regulate the Conversion of Agricultural Land to Non- Agricultural Purposes and for matters connected therewith or incidental there to and to repeal the Andhra Pradesh Non-Agricultural Lands Assessment Act, 1963.Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Fifty-sixth year of the Republic of India as follows:

1. Short title, extent and commencement.

(1)This Act may be called the Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) Act, 2006.(2)It extends to the whole of the State of Andhra Pradesh.(3)It shall come into force on such date, as the Government may, by Notification, appoint.

2. Definitions.

- In this Act unless the context otherwise requires,(a)Agriculture means(i)the raising of any crop or garden produce ; or(ii)the raising of orchards; or(iii)the raising of pasture; or(iv)Hay-ricks ;(b)'Agriculture lands' means lands used for agriculture ;(c)'Conversion' means change of land use from agricultural to nonagricultural purposes ;(d)'Non-agricultural land' means land other than Agricultural land ;(e)'Government' means the State Government of Andhra Pradesh ;(f)'Collector' means the District Collector in whose jurisdiction the agricultural land for which conversion is applied for is situated and also includes Joint Collector or any other officer not below the rank of the Joint Collector authorized by the Government to exercise the powers and perform the functions of the District Collector under this Act ;(g)'Revenue Divisional Officer' means, the Revenue Divisional

Officer including Sub- Collector or Asst. Collector in whose jurisdiction the agricultural land or a part thereof is situated and includes any officer not below the rank of a Revenue Divisional Officer empowered by the Government to exercise the powers and perform the functions of the Revenue Divisional Officer under this Act ;(h)'Mandal Revenue Officer' means the Mandal Revenue Officer, in whose jurisdiction the agricultural land or a part thereof is situated, and includes any Officer not below the rank of a MRO empowered by the Government to exercise the powers and perform the functions of the Mandal Revenue Officer under this Act ;(i)'Mandal Revenue Inspector' means the Mandal Revenue Inspector in whose jurisdiction the agricultural land or a part thereof is situated and includes any officer empowered by the Revenue Divisional Officer to exercise the powers and perform the functions of a Mandal Revenue Inspector under this Act ;(j)'Prescribed' means prescribed by Rules made by the Government under this Act ;(k)'Notification' means a notification published in the Andhra Pradesh Gazette ; and the word 'Notified' shall be construed accordingly ;(l)'Occupier' includes : (i) Any person for the time being paying or liable to pay to the owner rent, or any portion of the rent, for the land or, for the structure constructed ; (ii) A rent-free occupant ; (m) '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, educational or charitable purpose, rent or profits for the agricultural land or for the structure constructed on such land and includes in respect of the lands that have been leased out by the State Government or the Central Government ; (i) a lessee, if the land has been leased out by the Government for any non-agricultural purpose ; and (ii) a local authority, if the land is vested in the local authority and used for any non-agricultural purpose deriving income there from.

3. Land use Conversion.

(1) No agricultural land in the State shall be put to non-agricultural purposes, without the prior [payment of Conversion Tax to Government.] [Substituted 'permission of the Competent authority' by Andhra Pradesh Act No. 13 of 2018, dated 11.1.2018.] (2) [An intimation of payment of Conversion Tax alongwith a copy of the challan/receipt shall be sent to the competent authority. Such intimation shall be sufficient proof for payment of Conversion Tax and no separate order shall be required to be passed by competent authority in the matter except where proceedings are initiated for deficit payment of Conversion Tax.] [Substituted by Andhra Pradesh Act No. 13 of 2018, dated 11.1.2018.] (3) If the conversion fee so paid as per [sub-sections (1) and (2)] [Substituted 'sub-section (2)' by Andhra Pradesh Act No. 13 of 2018, dated 11.1.2018.] is found to be less than the fee prescribed under Section 4, a notice shall be issued by the competent authority to the applicant within 30 days of the receipt of application intimating him the deficit amount. (4) The applicant shall pay the deficit amount indicated in the notice issued under sub-section (3) within fifteen days of the receipt of such notice. (5) In case no intimation is received by the applicant within 30 days about the deficit payment of conversion fees, it shall be deemed that the amount paid is sufficient for the purpose. (6) The conversion permission requested for shall either be issued, rejected in full or part by the competent authority within sixty days after such request is received in the office of the competent authority or within thirty days after the receipt of the deficit amount as the case may be, provided that such requests are rejected, the reasons for such rejection shall be recorded in writing and communicated to the applicant : [***] [Omitted 'Provided that, if no order is passed on such request, within the time prescribed in sub-section (6), the required permission shall be deemed to

have been given.' by Andhra Pradesh Act No. 13 of 2018, dated 11.1.2018.]

4. Power to levy and collect conversion fee.

(1) With effect on and from the date of commencement of this Act, every owner or occupier of agriculture land shall have to pay a conversion fee for non-agricultural purposes, at the rate of [3%] [Substituted '(9%)' by Andhra Pradesh Act No. 13 of 2018, dated 11.1.2018.] of the basic value of the land in areas as may be notified by the Government from time to time. [Provided that the owner or occupier of agriculture land in the areas covered under [***] [Added by Andhra Pradesh Act No. 16 of 2012, dated 14.5.2012.], Greater Visakhapatnam Municipal Corporation and Vijayawada Municipal Corporation, shall have to pay a conversion tax for non-agricultural purposes, at the rate of [2%] [Substituted '(5%)' by Andhra Pradesh Act No. 13 of 2018, dated 11.1.2018.] of the basic value of the land.] (2) For the purpose of this section, the basic value of the land shall be fixed in such manner as may be prescribed.

5. Authority competent to convert agricultural land for non-agricultural purpose.

- The Revenue Divisional Officer or any officer to be notified by the Government in this behalf shall be competent to [issue notice under sub-section (3) of Section 3 and impose fine under sub-section (2) of Section 6.] [Substituted 'order, in respect of the lands situated within his territorial jurisdiction, conversion of land use from agricultural purpose to non-agricultural purpose' by Andhra Pradesh Act No. 13 of 2018, dated 11.1.2018.]

6. Penalty.

(1) If any agricultural land has been put to non-agricultural purpose without [Payment of Conversion Tax] [Substituted 'obtaining permission' by Andhra Pradesh Act No. 13 of 2018, dated 11.1.2018.] as required under Section 3, the land shall be deemed to have been converted into non-agricultural purpose. (2) Upon such deemed conversion, the competent authority shall impose a fine of 50% over and above the conversion fee for the said land specified under Section 4 in such manner as may be prescribed. (3) The owner or occupier of the land shall pay the fine so imposed under Sub-Section (2) in such manner as may be prescribed. (4) Any fee or penalty which remains unpaid after the date specified under sub-section (2) for payment, shall be recoverable as per the provisions of the Andhra Pradesh Revenue Recovery Act, 1864.

7. Act not to apply to certain lands.

- Nothing in this Act shall apply to (a) Lands owned by the State Government ; (b) Lands owned by a local authority and used for any communal purposes so long as the land is not used for commercial purposes ; (c) Lands used for religious or charitable purposes ; (d) Lands used by owner for household industries involving traditional occupation, not exceeding one acre ; (e) Lands used for such other purposes as may be notified by the Government from time to time ; (f) [Lands used for Aquaculture,

Dairy and Poultry;] [Added by Andhra Pradesh Act No. 16 of 2012, dated 14.5.2012.](g)[Lands allotted to the Andhra Pradesh Industrial Infrastructure Corporation (APIIC),] [Added by Andhra Pradesh Act No. 13 of 2018, dated 11.1.2018.]

8. Appeal.

- Any person aggrieved by an order of the Revenue Divisional Officer may file an appeal before the Collector within sixty days of receipt of such order by the applicant.

9. Act to Override other Laws.

- The provisions of this Act shall have effect notwithstanding anything in consistent therewith contained in any other law for the time being in force, or any custom or usage having the force of law or contract or judgment decree or order of a court or any other authority. Section 10 Power to give directions For the purpose of giving effect to the provisions of this Act it shall be competent for the Government to issue such directions as they may deem fit to any officer, authority or persons subordinate to the Government.

11. Bar of Jurisdiction.

- Save as otherwise expressly provided in the Act, no Court shall entertain any suit, or other proceeding to set-aside or modify, or question the validity of deficit fee under Section 3 or fine imposed under Section 6, or order or decision made or passed by any officer or authority under the Act or any rules made thereunder, or in respect of any other matter falling within its scope.

12. Protection of action taken in good faith.

- No suit, prosecution or other legal proceedings shall be instituted against any person for anything which is in good faith done or intended to be done under this Act or under the rules made thereunder.

13. Power to remove difficulties.

- If any difficulty arises in giving effect to the provisions of this Act, the Government may by order in the Andhra Pradesh Gazette make such provisions not inconsistent with the purposes or provisions of this Act as appear to them to be necessary or expedient for removing the difficulty.

14. Power to make rules.

(1)The Government may by notification make rules for carrying out all or any of the purposes of this Act.(2)Every Rule made under this Act shall immediately after it is made, be laid before the Legislative Assembly of the State, if it is in the session and if it is not in session, in the session immediately following, for a total period of fourteen days which may be comprised in one session, or

in two successive sessions, and if before the expiration of the session in which it is so laid or the session immediately following the Legislative Assembly agrees in making any modification in the rule or in the annulment of the rule, the rule shall from the date on which the modification or annulment is notified have effect only in such modified form or shall stand annulled as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of any thing previously done under that rule.

15. Repeal of Act 14 of 1963.

(1)The Andhra Pradesh Non- Agricultural Lands Assessment Act, 1963 is hereby repealed.(2)Upon such repeal,(a)the provisions of Section 8 of the Andhra Pradesh General Clauses Act, 1891 shall apply ;(b)all the outstanding arrears from individuals/institutions under the Andhra Pradesh Non-Agricultural Lands Assessment Act, 1963 as on the date of commencement of this Act shall be recovered under the provisions of the Andhra Pradesh Revenue Recovery Act, 1864.