

**PUNJAB URBAN PLANNING AND DEVELOPMENT AUTHORITY
PUDA BHAWAN, SECTOR 62, SAS NAGAR-160062
(POLICY BRANCH)**

2019-21

To

1. Chief Administrator, GMADA, SAS Nagar
2. Chief Administrator, P.D.A., Patiala
3. Chief Administrator, J.D.A., Jalandhar
4. Chief Administrator, GLADA, Ludhiana
5. Chief Administrator, A.D.A., Amritsar
6. Chief Administrator, BDA, Bathinda
7. Chief Administrator, Dera Baba Nanak Urban Development Authority, Amritsar.
8. Chief Administrator, Shri Anandpur Sahib Urban Development Authority.
9. Chief Administrator, Punjab, Department of Town and Country Planning, @ PUDA Bhawan, SAS Nagar.
10. Additional Chief Administrator (Finance and Accounts), PUDA, SAS Nagar.
11. Estate Officer, Plots-Regulator/ Housing-Project/ Eco-City-Auction PUDA/GMADA, SAS Nagar.
12. Estate Officer (Policy), PUDA/GMADA, SAS Nagar
13. Chief Accounts Officer, PUDA/GMADA, SAS Nagar
14. Senior Town Planner, PUDA/GMADA, SAS Nagar
15. Senior Architect, PUDA/GMADA, SAS Nagar
16. Senior Law Officer, PUDA/GMADA, SAS Nagar

No. PUDA-Policy Branch/ S-1/2019/873448-65

Dated 19/8/19

Subject: Implementation of Betterment Levy for area falling under PUDA and All Special Development Authorities.

With respect to the subject cited above.

2.0. Matter regarding Implementation of Betterment Charges on the area falling under PUDA and various Special Development Authorities was submitted for approval in the 17th meeting Executive Committee of PUDA held on 15.05.2019 vide Agenda Item No 17.04. After approval, the matter had been ratified by the PUDA Authority in its 58th meeting held on 19.06.2019 vide Agenda Item No.58.04.

Copy of approved guidelines for levy of Betterment Charges for the area falls under PUDA and various Special Development Authorities, is being enclosed herewith with request to ensure the necessary action with regard to aforesaid decision of PUDA Authority.

Enclosed/As above

Sd/-
Superintendent (Policy)
For Chief Administrator.

A copy is forwarded to Superintendent (Coordination), PUDA, SAS Nagar in reference their office letter No.18163 dated 26.09.2019 as follow up for Executive Committee Agenda Item No. 17.04 and PUDA Authority Agenda Item No. 58.04.

Sd/-
Superintendent (Policy)
For Chief Administrator.

Guidelines for the levy and assessment of Betterment Charge by the development authorities under Housing and Urban Development Department, Government of Punjab

Whereas the Development Authorities have undertaken or propose to undertake various infrastructure works for providing better living conditions to the citizens of the area.

Whereas currently all these infrastructure/development works are funded partly from the External Development Charges taken from the various developers of real estate projects in the area and partly from the surplus generated from the disposal of properties available with respective Authority.

Whereas the EDC charges are insufficient to meet the need to fast track the process of building up of infrastructures necessary for planned urbanization.

Whereas the Board constituted under the Punjab Regional Town Planning and Development Act, 1995 (the Act) in its meeting dated 11.10.2018 had also directed the Development Authorities to levy betterment charge in order to take up key infrastructure works at the earliest.

Since the Authority is under the responsibility to provide quality infrastructure, it is important to find means for funding the same. This can be done within the purview of the PRTPD Act which provides for levying betterment charge under section 141. However, since the betterment charge has never been invoked by the Authorities, therefore it is felt that it is important to define the guidelines for implementation of the provisions of the Act, as under:-

1. All major infrastructure/development works which are planned to be taken up by the Development Authorities which comply with the definition of Town Planning Scheme under section 91 of the Act should be declared as a Scheme and proceeded as per the procedure detailed hereinafter.
2. Generally the construction of major roads should be declared as a town planning Scheme along with an area of 1 Km on both sides of the Right of Way as a part of the same Town planning

scheme so that provisions for levy of betterment charge may be used appropriately.

3. The respective Authority shall pass a resolution to declare its intention to make a scheme in respect of any planning area or part of the planning area which should be followed by:-
 - a. Notification in the official gazette of declaration of intention of Authority to prepare a scheme along with map of the scheme area as per Form XI of the Act - Section 92(1).
 - b. Dispatch of a copy of declaration to the State Government, Board and the local Authority in whose jurisdiction the proposed scheme falls.(Section 92(2))
 - c. Inviting Objections for at least 30 days from date of declaration of intention of a proposed scheme.(Form XI)
 - d. Preparing a Draft Scheme within 12 months from the date of declaration of Intention of proposed scheme. (Section 93(1))
 - e. However, if the Scheme also includes area under local authority, then the consent of the local authority should be taken before publishing draft scheme. (Section 93(2))
 - f. Invite and consider objections on the draft scheme and modify the draft scheme if required before submission to state government. (Section 93(3))
4. Finally the Authority should submit the draft scheme along with the copy of objections for sanction by the state government.(Section 98)
5. The aim would be to recover betterment charge from the land and building in a planning area which has benefited or will benefit as a consequence of a scheme. Therefore, the recovery of the betterment charge would be effected at either one of the following different stages depending on the status of development at the time of declaration of intention to prepare a scheme viz.
 - At the time of grant of Change of Land use for a real estate project or a standalone project like marriage palace, etc. which

is done post the date of the declaration of Intention by including an appropriate condition in the permission.

- At the time of approval of layout plan in cases where CLU has been granted but layout plan / building plan, in case of stand alone projects, has not been approved on the date of declaration.
 - At the time of providing completion certificate to the promoter.
6. It should be noted that the as per Section 99 of the Act certain restrictions like Change of Land Use and carrying out of development are imposed only on the area included in the scheme and not the total planning area adjoining the scheme. Therefore, the area under scheme should be earmarked carefully considering the prospective stages of recovery of betterment charge as discussed above.
 7. Further, the assessment of the betterment charge has to be done by an independent Arbitrator who has to be appointed by the state government within one month from the date of the approval of the scheme. (Section 102)
 8. However, post appointment of arbitrator by the state government the Authority should make a reference to the Arbitrator to determine the amount of betterment charge leviable under Chapter XIII of PRTPD Act, 1995.
 9. Once the Arbitrator announces the quantum of betterment charge, the Authority should proceed to recover the same as per the Act.