

# **The Goa (Regulation of House Building Advance) Bill, 2021**

**(Bill No. 2 of 2021)**

**A**

**BILL**

to regulate house building advance and to cancel / abolish existing house building advance scheme and for matters connected and incidental thereto.

Be it enacted by the Legislative Assembly of Goa in the Seventy - second Year of the Republic of India as follows:-

**1. Short title and commencement.-** (1) This Act may be called the Goa (Regulation of House Building Advance) Act, 2021.

(2) It shall be deemed to have come into force on the 15<sup>th</sup> day of May, 2020.

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

(a) 'appointed date' means the date on which this Act came into force;

(b) 'beneficiary' means a Government Servant who on the appointed date has already been disbursed, either in part or in full, the house building advance, the repayment of which along with the interest thereon is outstanding;

(c) 'Government' means the Government of Goa;

(d) “house building advance” means house building advance admissible to beneficiary under the House Building Advance Rules/Scheme followed by the Government;

(e) “sanctioning authority” means Head of the respective Government Department, who has sanctioned house building advance to the beneficiary;

(f) ‘Drawing and Disbursing Officer’ means Head of Department /Head of office or an Administrator and also any other Gazetted Officer so designated by a Department of the Government of Goa.

### **3. Cancellation/abolition of the House Building Advance Scheme.—**

Notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority, or any law, rule, regulation, bye-law, scheme, document, contract or instrument to the contrary, the house building advance admissible to beneficiary shall stand cancelled/abolished with effect from the appointed date.

**4. Effect of the Abolition.-** (1) Notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority, or any law, rule, regulation, bye-law, scheme, document, contract or instrument to the contrary, every beneficiary shall be charged interest at the prevailing bank rate on and from the appointed date and the Government shall not be liable to pay any amount whatsoever on such House building advance:

Provided that every beneficiary shall be at liberty to shift/transfer his loan account from the Bank of India/HDFC to any other bank/financial institution of his choice within a period of one year from the date of coming into force of this Act.

(2) The Deed of mortgage or any other charge or surety created or executed in favour of the Government by the beneficiary shall stand transferred in favour of the Bank of India/HDFC (financial institution) with effect from the appointed date.

(3) The monthly installments payable by the beneficiary to Bank of India/HDFC shall continue to be deducted at source from the salary of the beneficiary by the sanctioning authority/ Drawing and Disbursing Officer and paid to Bank of India/HDFC.

(4) Save as provided hereinabove, on and from the appointed date the Government shall not be liable or responsible, in any manner, in respect of the payment of the monthly installment by the beneficiary.

(5) Notwithstanding anything to the contrary contained in any other law for the time being in force, the Government shall not be liable to pay the beneficiary any amount or compensation of whatsoever nature for any loss, financial dues, hardship, damage, etc., if any, incurred or experienced by the beneficiary on account of cancellation/abolition of the House Building Advance Scheme.

(6) All Applications pending consideration under the House Building Advance Scheme shall stand rejected with effect from the appointed date.

**5. Protection of action taken pursuant to circular.-** The Circular bearing No. 7/26/2020-Fin(DMU)/1158 dated 3<sup>rd</sup> June, 2020 issued by the Finance Department, Government of Goa, shall have effect from the appointed date and all action taken pursuant to the said circular shall be deemed to be valid and proper.

**6. Resumption of the House Building Advance Scheme.-** The Government may, at any point of time, by notification in the Official Gazette, resume the cancelled House Building Advance Scheme under this Act or frame new House Building Advance Scheme on such terms and conditions as it deems fit:

Provided that, the power to resume or frame a new House Building Advance Scheme, shall also include the power to withdraw such Scheme at any point of time, depending upon the financial exigencies of the Government.

**7. Bar on institution of legal proceedings.-** No suit, prosecution or other legal proceedings shall be maintained against the Government or any of its Officers or persons duly appointed or authorised by it in respect of any action or any order or direction issued or taken or purported to be issued or taken under the provisions of this Act including on the directions/executive Instructions issued under the Circular bearing No. 7/26/2020-Fin(DMU)/1158 dated 3<sup>rd</sup> June, 2020.

**8. Power to remove difficulties.** - (1) If any difficulty arises in giving effect to the provisions of this Act, the Government may, by a general or special order, make such provisions not inconsistent with the provisions of this Act, as may appear to it to be necessary or expedient for the purpose of removing the difficulty:

Provided that, no such order shall be made after the expiry of the period of two years from the commencement of this Act.

**9. Repeal and saving:** (1) The Goa (Regulation of House Building Advance) Ordinance, 2020 (Ordinance No.10 of 2020) is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Ordinance, shall be deemed to have been done or taken under this Act at the relevant time.

### **Statement of Objects and Reasons**

The Government of Goa for welfare and betterment of the State Government employees had initiated House Building Advance Rules/Scheme vide Order No. 3/7/79-Fin(Exp) dated 12/12/1988. The Government of Goa had enhanced maximum ceiling limit of house building advance from time to time for the Government employees of this State and vide Office Memorandum No.8/3/2013

Fin (R & C) (Part -I) dated 26/08/2014 current ceiling limit is fixed at Rs.36.00 lakhs and quantum to be admissible to employee is dependent upon length of service left and repaying capacity of such Government employee at concessional rate of 2% per annum. The difference between the rate charged by the Bank and the interest rate payable by Government employee was borne by the Government. Hence, the Government had to bear the entire difference between interest at prevailing bank rate and interest at subsidized rate i.e approximately Rs. 19.70 crores per year for 1955 beneficiaries.

The State Government has implemented Scales under VII<sup>th</sup> Pay Commission Recommendations with effect from 01.01.2016 which are much higher than the scales existing under V<sup>th</sup> Pay Commission Recommendations. There has been tremendous pressure on the State finances due to the COVID -19 pandemic in the year 2020 necessitating reduction in committed Government expenditure.

The Hon'ble Governor of Goa had promulgated the Goa (Regulation of House Building Advance) Ordinance, 2020 so as to do away with House Building Advance Scheme/Rules applicable to Government employees and benefits thereunder with effect from 15<sup>th</sup> day of May, 2020.

This Bill seeks to repeal the Goa (Regulation of House Building Advance) Ordinance, 2020 promulgated by the Governor of Goa on 12<sup>th</sup> day of September, 2020.

This Bill seeks to achieve above objects.

### **FINANCIAL MEMORANDUM**

While extending House Building Advance at concessional rate of interest of 2% the Government had to bear the entire difference between prevailing Bank rate of interest and the subsidized rate of interest i.e approximate amount of which is Rs. 19.70 crores per year were to be borne by the State Government for 1955 beneficiaries of the State /Grant -in- aid. The same will no longer be borne by State Government.

### **Memorandum Regarding Delegated Legislation**

No delegated legislation is envisaged in this Bill.

Porvorim – Goa  
13/01/2021

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13/01/2021

Namrata Ulman  
Secretary to the  
Legislative Assembly of Goa