



KARNATAKA LEGISLATIVE ASSEMBLY  
FIFTEENTH LEGISLATIVE ASSEMBLY  
EIGHTH SESSION

**THE KARNATAKA AGRICULTURAL PRODUCE MARKETING (REGULATION AND DEVELOPMENT) (AMENDMENT) BILL, 2020**  
**(LA Bill No. 55 of 2020)**  
**(As passed by the Karnataka Legislative Assembly and as passed by the Karnataka Legislative Council with amendments for reconsideration)**

A Bill further to amend the Karnataka Agricultural Produce Marketing (Regulation and Development) Act, 1966.

Whereas, it is expedient further to amend the Karnataka Agricultural Produce Marketing (Regulation and Development) Act, 1966 (Karnataka Act 27 of 1966), for the purpose hereinafter appearing.

Be it enacted by Karnataka State Legislature in the Seventy first year of the Republic of India, as follows:-

**1. Short title and commencement.-** (1) This Act may be called the Karnataka Agricultural Produce Marketing (Regulation and Development) (Amendment) Act, 2020.

(2) It shall be deemed to have come into force with effect from 16<sup>th</sup> May, 2020.

**2. Amendment of section 8.-** In section 8 of the Karnataka Agricultural Produce Marketing (Regulation and Development) Act, 1966 (Karnataka Act 27 of 1966) (herein after referred to as the Principal Act),-

(i) for sub-section (2), the following shall be substituted, namely;-

“(2) The Market Committee shall regulate the marketing of notified agricultural produce in the market yards, market sub-yards and sub-market yards.”; and

(ii) sub-section (3) shall be omitted.

**3. Amendment of section 117.-**In section 117 of the Principal Act, the words “or whoever in contravention of the provisions of sub-section (2) of section 8 uses any place for purchase or sale of notified agricultural produce” shall be omitted.

**4. Repeal and savings.**-(1) The Karnataka Agricultural Produce Marketing (Regulation and Development) (Second Amendment) Ordinance (Karnataka Ordinance No.21 of 2020) is hereby repealed.

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

**STATEMENT OF OBJECTS AND REASONS****(As appended to at the time of Introduction)**

It is considered necessary further to amend the Karnataka Agricultural Produce Marketing (Regulation and Development) Act, 1966 (Karnataka Act 27 of 1966), to provide for,-

- (i) the Market Committee to regulate the marketing of notified agricultural produce only in the market yards, market sub-yards and sub-market yards.”; and
- (ii) certain consequential amendments connected therewith or incidental thereto.

As the matter was urgent and both the Houses of the Karnataka Legislature were not in session, the Karnataka Agricultural Produce Marketing (Regulation and Development) (Amendment) Ordinance (Karnataka Ordinance No.8 of 2020) and the Karnataka Agricultural Produce Marketing (Regulation and Development) (Second Amendment) Ordinance, 2020 (Karnataka Ordinance No.21 of 2020) were promulgated to achieve the above object.

This Bill seeks to replace the above Ordinances.

Hence the Bill.

**FINANCIAL MEMORANDUM**

There will be a financial deficit of around Rupees five hundred crore from the proposed legislative measure.

**EXPLANATORY STATEMENT AS REQUIRED BY SUB-RULE (1) OF RULE 80 OF THE RULES OF PROCEDURE AND CONDUCT OF BUSINESS IN THE KARNATAKA LEGISLATIVE ASSEMBLY.**

It is considered necessary further to amend the Karnataka Agricultural Produce Marketing (Regulation and Development) Act, 1966 (Karnataka Act 27 of 1966), to provide for,-

- (iii) the Market Committee to regulate the marketing of notified agricultural produce only in the market yards, market sub-yards and sub-market yards.”; and
- (iv) certain consequential amendments connected therewith or incidental thereto.

As the matter was urgent and both the Houses of the Karnataka Legislature were not in session, the Karnataka Agricultural Produce Marketing (Regulation and Development) (Amendment) Ordinance (Karnataka Ordinance No.8 of 2020) was promulgated to achieve the above object.

**S.T.SOMASHEKAR**  
Minister for Co-Operation

**M.K Vishalakshi**  
Secretary (I/c)  
Karnataka Legislative Council

**Addendum of Explanatory statement as required under sub-rule (1) of rule 80 of the Rules of procedure and conduct of Business in the Karnataka Legislative Assembly and sub-rule (1) of rule 77 of the Rules of procedure and conduct of Business in the Karnataka Legislative Council.**

It is considered necessary further to amend the Karnataka Agricultural Produce Marketing (Regulation and Development) Act, 1966 (Karnataka Act 27 of 1966), to provide for,-

- (i) the Market Committee to regulate the marketing of notified agricultural produce only in the market yards, market sub-yards and sub-market yards.”; and
- (ii) certain consequential amendments connected therewith or incidental thereto.

As the matter was urgent and both the Houses of the Karnataka Legislature were not in session, the Karnataka Agricultural Produce Marketing (Regulation and Development) (Amendment) Ordinance, 2020 (Karnataka Ordinance No.8 of 2020) was promulgated to achieve the above object.

In order to replace the said Ordinance, the Karnataka Agricultural Produce Marketing (Regulation and Development) (Amendment) Bill, 2020 (L A Bill No.55 of 2020) was introduced in the Karnataka Legislative Assembly on 23.09.2020 and passed by the Karnataka Legislative Assembly on 26.09.2020. The said Bill was sent to the Karnataka Legislative Council on 26.09.2020 and same is pending for consideration with the Karnataka Legislative Council.

In accordance with sub-clause (a) of clause (2) of Article 213 of the Constitution of India the above said Ordinance shall cease to operate at the expiration of six weeks from the date of re-assembly of the both houses of the State Legislature.

Both houses of the State legislature were prorogued on 06.10.2020 vide notification no: DPAL 01 SAMVYAVI 2020 dated: 06.10.2020.

As several actions have been taken on the said ordinance, there was a need for continuation by re-promulgating the said ordinance in Karnataka Gazette extra ordinary. Therefore as the matter was urgent and the Karnataka Legislative Assembly and the Karnataka Legislative Council were not in session, the Karnataka Agricultural Produce Marketing (Regulation and Development) (Second Amendment) Ordinance, 2020 (Karnataka Ordinance 21 of 2020) was promulgated on 23<sup>rd</sup> day of October 2020 to achieve the above object.

**S.T.SOMASHEKAR**  
Minister for Co-Operation

**M.K Vishalakshi**  
Secretary (I/c)  
Karnataka Legislative Assembly

## ANNEXURE

**EXTRACT FROM THE KARNATAKA AGRICULTURAL PRODUCE  
MARKETING (REGULATION AND DEVELOPMENT) ACT, 1966**

**(KARNATAKA ACT 27 OF 1966)**

**8. Control of marketing of agricultural produce.-** (1) **XX XX XX XX**  
**XX XX XX**

(2) No place except the market yard, market sub-yard, sub-market yard, private market yard or farmer - consumer market yard as the case may be, shall be used for purchase or sale of notified agricultural produce.

(3) Nothing in sub-section (2) shall apply to,-

(a) the purchase or sale of notified agricultural produce by,-

(i) a Taluk Agricultural Produce Co-operative Marketing Society;

(ii) a Primary Agricultural Co-operative Credit Society; and

(iii) any other co-operative society permitted by the state Government;

(b) the sale of notified agricultural produce by a retail trader.

(c) a sale by a Contract farming producer to a contract forming sponsor under Contract farming agreement;

(d) a direct purchase of notified agricultural produce by a licensee under section 72A from the agriculturist.

**XX XX XX**

**117. Penalty for contravention of section 8.-** Whoever in contravention of the provisions of clause (b) of sub-section (1) of section 8 uses any place in the market area for marketing any agricultural produce, or operates as a trader, commission agent, broker, processor, warehouseman or in any other capacity, without a valid licence or whoever in contravention of the provisions of sub-section (2) of section 8 uses any place for purchase or sale of notified agricultural produce, shall, on conviction, be punished with imprisonment for a term which may extend to six months and with fine which may extend to rupees five thousand but shall not be less than rupees five hundred or with both, and in the case of a continuing contravention with a further fine which may extend to two hundred rupees per day during which the contravention is continued after the first conviction.

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