

Ordinance Summary

The Karnataka Land Reforms (Amendment) Ordinance, 2020

- The Karnataka Land Reforms (Amendment) Ordinance, 2020 was promulgated on July 13, 2020. It amends the Karnataka Land Reforms Act, 1961. The Act aimed to consolidate and make uniform laws in the State, relating to: (i) purchase and holding of agricultural land, (ii) ownership and occupancy rights, and (iii) ceiling on agricultural land holdings. The Ordinance eases existing restrictions on buying agricultural land, on who can buy it, and the ceiling on extent of land one can hold. Some of the key amendments being introduced are:
 - **Ceiling on agricultural land holdings:** Under the Act, the ceiling on agricultural land holding for a person who is not a member of a family or for a family of up to five members is 10 units. The Ordinance increases this limit to 20 units. A unit is one acre of A-Class land of a specified soil classification value. A-class lands are lands having facilities for assured irrigation (through government canals and tanks) to support growing two crops of paddy or one crop of sugarcane in a year. For a family of more than five members, the Ordinance increases the ceiling from 20 units to 40 units. Further, for a person who is a tenant engaging in aquaculture in the districts of Uttara Kannada and Dakshina Kannada, the ceiling area is increased from 40 units to 80 units.
 - **No prohibition on acquisition of agricultural land:** The Act prohibits the sale of agricultural land to persons having an assured annual income of Rs 25 lakh or more from non-agricultural sources. The Ordinance removes this provision on a retrospective basis.
 - **No prohibition on holding of agricultural land by certain persons:** Under the Act, only a person cultivating land personally is entitled to hold land. The Act also prohibits several other entities from holding land. These entities include educational, religious or charitable institutions, trusts, societies, companies, and associations. The Ordinance also removes this provision on a retrospective basis.
 - **Restrictions on transfer of certain lands:** The Act bars the sale or transfer of agricultural land to certain persons such as: (i) non-agriculturists, (ii) agriculturists exceeding prescribed ceiling limits on land holding, and (iii) non-agricultural labourers. The Ordinance now restricts transfer of land only if: (i) it is an A-Class irrigated land, which is not being used for agriculture purpose, or (ii) a person is violating the permitted ceiling area limits on agricultural land holding.
 - **Restriction on lands granted to the Scheduled Castes or Scheduled Tribes:** The Ordinance specifies that any amendments to the Act will not affect the rights of land granted to SC/ST, during the period of prohibition, under the Karnataka Scheduled Castes and Scheduled Tribes (Prohibition of Transfer of Certain Lands) Act, 1978.
 - **Restriction on Sale or Mortgage of Agriculture Land:** The Ordinance states that mortgage of agricultural land will be permitted only to specified government institutions, companies, and cooperative societies. These include: (i) Karnataka State Road Transport Corporation, (ii) Karnataka Power Transmission Corporation Limited, (iii) Karnataka Housing Board, (iv) Industrial Areas Development Board, and (v) a financial institution, among others.

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