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GOVERNMENT OF TAMIL NADU

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# TAMIL NADU GOVERNMENT GAZETTE

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## Part IV—Section 1

### Tamil Nadu Bills

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BILLS INTRODUCED IN THE LEGISLATIVE ASSEMBLY OF THE STATE OF  
TAMIL NADU

Under rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the State of Tamil Nadu on 12th January, 2018 is published together with Statement of Objects and Reasons for general information:—

**L.A. Bill No. 12 of 2018**

***A Bill further to amend the Tamil Nadu Town and Country Planning Act, 1971***

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Sixty Eighth Year of the Republic of India as follows:-

Short title and commencement.	1. (1) This Act may be called the Tamil Nadu Town and Country Planning (Amendment) Act, 2018.	
	(2) It shall be deemed to have come into force on the 21st day of July 2017.	
Amendment of Section 63-B	2. For the Explanation under section 63-B of the Tamil Nadu Town and Country Planning Act, 1971 (hereinafter referred to as the principal Act) the following explanation shall be substituted, namely—	Tamil Nadu Act 35 of 1972
	“Explanation.- For the purpose of this Section and section 63-D, “relevant laws” means in case of –	
	(i) the Chennai Metropolitan Development Authority, the Tamil Nadu Town and Country Planning Act, 1971;	Tamil Nadu Act 35 of 1972
	(ii) the Chennai City Municipal Corporation, the Chennai City Municipal Corporation Act, 1919;	Tamil Nadu Act IV of 1919
	(iii) the Madurai City Municipal Corporation, the Madurai City Municipal Corporation Act, 1971;	Tamil Nadu Act 15 of 1971
	(iv) the Coimbatore City Municipal Corporation, the Coimbatore City Municipal Corporation Act, 1981;	Tamil Nadu Act 25 of 1981
	(v) the Tiruchirappalli City Municipal Corporation, the Tiruchirappalli City Municipal Corporation Act, 1994;	Tamil Nadu Act 27 of 1994
	(vi) the Tirunelveli City Municipal Corporation, the Tirunelveli City Municipal Corporation Act, 1994;	Tamil Nadu Act 28 of 1994
	(vii) the Salem City Municipal Corporation, the Salem City Municipal Corporation Act, 1994;	Tamil Nadu Act 29 of 1994
	(viii) the Tiruppur City Municipal Corporation, the Tiruppur City Municipal Corporation Act, 2008;	Tamil Nadu Act 7 of 2008
	(ix) the Erode City Municipal Corporation, the Erode City Municipal Corporation Act, 2008;	Tamil Nadu Act 8 of 2008
	(x) the Vellore City Municipal Corporation, the Vellore City Municipal Corporation Act, 2008;	Tamil Nadu Act 26 of 2008
	(xi) the Thoothukudi City Municipal Corporation, the Thoothukudi City Municipal Corporation Act, 2008;	Tamil Nadu Act 27 of 2008
	(xii) the Thanjavur City Municipal Corporation, the Thanjavur City Municipal Corporation Act, 2013;	Tamil Nadu Act 24 of 2013
	(xiii) the Dindigul City Municipal Corporation, the Dindigul City Municipal Corporation Act, 2013.	Tamil Nadu Act 25 of 2013

Tamil Nadu Act V of 1920 (xiv) the Municipalities and Town Panchayats, Tamil Nadu District Municipalities Act, 1920; and

Tamil Nadu Act 21 of 1994 (xv) the Panchayat Unions and Village Panchayats, the Tamil Nadu Panchayats Act, 1994".

3. After section 63-C of the principal Act, the following section shall be inserted, namely: –

Insertion of  
new sections  
63-D and  
63-E

*“63-D. Levy of shelter charges.-* (1) Every local authority or the planning authority, as the case may be, while according permission under this Act or according building permit under the relevant laws, as the case may be, shall levy charges on the institution of use or change of use of land or building or development of any land or building in the whole area or any part of the planning area so as to contribute towards cost of providing affordable housing to the poor in urban areas, at the rates as determined in accordance with such procedure as may be prescribed which shall not be less than the minimum and not more than the maximum as may be prescribed, and different rates may be prescribed for different parts of the planning area and for different uses.

(2) The shelter charges shall be leviable on any person who undertakes or carries out any such development or institutes any use or changes any such use.

(3) The collection of the shelter charges shall be made in such manner as may be prescribed.

*63-E. Constitution of State Shelter Fund.-* (1) The Government may constitute a fund called “State Shelter Fund” to provide for affordable housing to the poor in urban areas.

(2) The shelter charges levied under Section 63D shall be credited to this fund.

(3) The proceeds from other sources as approved by the Government may also be credited to this fund.

(4) The fund shall be operated, utilized and maintained in such manner as may be prescribed.”.

4. Notwithstanding anything contained in the principal Act, or any judgment, decree or order of any Court, no levy or collection of shelter charges at any time between 21st day of July 2017 and the date of publication of this Act in the Tamil Nadu Government Gazette shall be deemed to be invalid or ever to have been invalid and such charge levied or collected shall be deemed to be and to have always been validly levied or collected in accordance with law, as if the principal Act, as amended by this Act, had been in force at all material times when such levy or collection has been made and no suit or other legal proceeding shall be maintained or continued against any local authority, planning authority, the Director of Town and Country Planning, Government or any other authority whatsoever on the ground that such levy or collection was not made in accordance with law.

Validation

## STATEMENT OF OBJECTS AND REASONS.

The Government proposes to constitute a "State Shelter Fund" dedicated to finance housing projects to rehabilitate the urban poor. Tamil Nadu is one of the most urbanised States in India with 48.45% of its population living in urban areas and the same is projected to become 74.8% by 2026. One of the major challenges being faced by all the major cities in Tamil Nadu due to increase in urban population is the provision of affordable housing to prevent development of squatter settlements, slums and slum like habitations. The projected requirement of affordable housing in urban areas in Tamil Nadu is more than 10 lakh units as per the 'Housing for All Action Plan' prepared by the Tamil Nadu Slum Clearance Board. Availability of affordable housing in urban areas is hampered due to rising land cost as well as cost of construction. The approximate cost of construction, excluding cost of land, for Economically Weaker Section (EWS) units in Chennai city works out to between Rs.9 to 10 lakh. As the urban migratory population prefers to live near their work places in the core city, the demand for affordable housing in cities is very high. It is a well documented fact that provision of adequate housing improves the quality of citizenry and its productivity. Hence, investment by the State in public housing is one of the most productive investments. The Government thus proposes to create the 'State Shelter Fund' having a two-tier financial structure wherein, in Tier-I, the Government will collect and pool funds through the levy of certain charges, fees and cess. A substantial portion of the shelter funds pooled in tier-I shelter fund shall be used for funding housing projects by Government through Tamil Nadu Slum Clearance Board including the State Government's share in centrally sponsored housing schemes. A part of this fund will be used as a catalyst fund to seed the Tier-II fund to attract more funds through various other measures such as floating of housing infrastructure bonds, tapping social venture funds and borrowing internationally, aimed at promoting affordable housing. Hence, the Government ordered in G.O.Ms.No.135, Housing and Urban Development Department, dated 21.07.2017 for levy and collection of shelter charges on any person who undertakes or carries out any such development or institutes any use or changes any such use to rehabilitate the urban poor.

(2) In order to give statutory backing to the levy and collection of the shelter charges, the Government have decided to amend the Tamil Nadu Town and Country Planning Act, 1971 (Tamil Nadu Act 35 of 1972) suitably.

(3) The Bill seeks to give effect to the above decision.

**O. PANNEERSELVAM,**  
*Deputy Chief Minister.*

## MEMORANDUM REGARDING DELEGATED LEGISLATION.

New sections 63-D and 63-E proposed to be inserted in the Tamil Nadu Town and Country Planning Act, 1971 (Tamil Nadu Act 35 of 1972) by clause 3 of the Bill empowers the Government to make rules to prescribe the manner of collection of the shelter charges and the manner of operation, utilization and maintenance of the shelter fund, respectively.

2. The powers delegated are normal and not of an exceptional character.

**O. PANNEERSELVAM,**  
*Deputy Chief Minister.*

K. BOOPATHY,  
*Secretary.*