The Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) Act, 2006

Act 3 of 2006

Keyword(s):
Agriculture Land, Conversion, Collector, Revenue Decisional Officer, Mandal, Occupier, Owner

Amendment appended: 16 of 2012, 13 of 2018, 32 of 2020

DISCLAIMER: This document is being furnished to you for your information by PRS Legislative Research (PRS). The contents of this document have been obtained from sources PRS believes to be reliable. These contents have not been independently verified, and PRS makes no representation or warranty as to the accuracy, completeness or correctness. In some cases the Principal Act and/or Amendment Act may not be available. Principal Acts may or may not include subsequent amendments. For authoritative text, please contact the relevant state department concerned or refer to the latest government publication or the gazette notification. Any person using this material should take their own professional and legal advice before acting on any information contained in this document. PRS or any persons connected with it do not accept any liability arising from the use of this document. PRS or any persons connected with it shall not be in any way responsible for any loss, damage, or distress to any person on account of any action taken or not taken on the basis of this document.
THE ANDHRA PRADESH AGRICULTURAL LAND (CONVERSION FOR NON-AGRICULTURAL PURPOSES) ACT, 2006

Received the assent of the Governor on the 30th December, 2005 and the said assent is hereby first published on the 2nd January, 2006 in the Andhra Pradesh Gazette for general information:

[Act No. 3 of 2006]

An Act to Regulate the Conversion of Agricultural Land to Non-Agricultural Purposes and For Matters Connected Therewith or incidental There to and to Repeal the Andhra Pradesh Non-Agricultural Lands Assessment Act, 1963.

Be it enacted by the Legislative Assembly of the State of Andhra Pradesh in the Fifty-sixth year of the Republic of India as follows:

1. Short title, extent and commencement:
   (1) This Act may be called the Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) Act, 2006.
   (2) It extends to the whole of the State of Andhra Pradesh.
   (3) It shall come into force on such date as the Government may, by Notification, appoint.

2. Definitions:
   In this Act unless the context otherwise requires,—
   (a) Agriculture means—
      (i) the raising of any crop or garden produce; or
      (ii) the raising of orchards; or
      (iii) the raising of pasture; or
      (iv) Hay-ricks;
   (b) "Agriculture lands" means lands used for agriculture;
   (c) "Conversion" means change of land use from agricultural to non-agricultural purposes;
   (d) "Non-agricultural land" means land other than Agricultural land;
   (e) "Government" means the State Government of Andhra Pradesh;
   (f) "Collector" means the District Collector in whose jurisdiction the agricultural land for which conversion is applied for is situated and also includes Joint Collector or any other officer not below the rank of the Joint Collector authorized by the Government to exercise the powers and perform the functions of the District Collector under this Act;
   (g) "Revenue Divisional Officer" means, the Revenue Divisional Officer including Sub-Collector or Asst. Collector in whose jurisdiction the agricultural land or a part thereof is situated and includes any officer not below the rank of a Revenue Divisional Officer empowered by the Government to exercise the powers and perform the functions of the Revenue Divisional Officer under this Act;
   (h) "Mandal Revenue Officer" means the Mandal Revenue Officer, in whose jurisdiction the agricultural land or a part thereof is situated, and includes any officer not below the rank of a MRO empowered by the Government to exercise the powers and perform the functions of the Mandal Revenue Officer under this Act;
   (i) "Mandal Revenue Inspector" means the Mandal Revenue Inspector in whose jurisdiction the agricultural land or a part thereof is situated and includes any officer empowered by the Revenue Divisional Officer to exercise the powers and perform the functions of a Mandal Revenue Inspector under this Act;
   (j) "Prescribed" means prescribed by Rules made by the Government under this Act;
   (k) "Notification" means a notification published in the Andhra Pradesh Gazette; and the word "Notified" shall be construed accordingly;
   (l) "Occupier" includes:
      (i) Any person for the time being paying or liable to pay to the owner rent, or any portion of the rent, for the land or, for the structure constructed on or for the time being receiving rent, or such person including sub-tenant, lessee, if the lessee, if the land has been leased out by the State Government or the Central Government;
      (ii) A rent-free occupant;
   (m) "Owner" includes any person for the time being receiving or entitled to receive, whether on his own account, or as agent, trustee, guardian, manager or receiver, for another person, or for any religious, educational or charitable purpose, rent or profits for the agricultural land or for the structure constructed on such land and includes in respect of the lands subject to rent or part thereof or for any non-agricultural purpose deriving income there from.

3. Land use Conversion:
   (1) No agricultural land in the State shall be put to non-agricultural purpose, without the prior permission of the Competent authority.
(2) An application for such conversion of the agricultural land for non-agricultural purposes shall be made before the competent authority in the form prescribed along with conversion [tax] as specified under Section 4.

(3) If the conversion [tax] so paid as per sub-section (2) is found to be less than the [tax] prescribed under Section 4, a notice shall be issued by the competent authority to the applicant within 30 days of the receipt of application intimating him the deficit amount.

(4) The applicant shall pay the deficit amount indicated in the notice issued under sub-section (3) within fifteen days of the receipt of such notice.

(5) In case no intimation is received by the applicant within 30 days about the deficit payment of conversion [tax], it shall be deemed that the amount paid is sufficient for the purpose.

(6) The conversion permission requested for shall either be issued, rejected in full or part by the competent authority within sixty days after such request is received in the office of the competent authority or within thirty days after the receipt of the deficit amount as the case may be, provided that such requests are rejected, the reasons for such rejection shall be recorded in writing and communicated to the applicant:

Provided that, if no order is passed on such request, within the time prescribed in sub-section (6), the required permission shall be deemed to have been given.

CASE LAW

Sections 3 and 7 (a) : Object of the Act - To regulate conversion of agricultural land for non-agricultural use and prescribe and recover NALA. Act not applicable to State's acquisition of land. R. Veera Raghava Prasad and others v. District Collector, Krishna District at Machilipatnam and another 2008 (2) ALT 136.


A.P. Urban Areas (Development) Act, 1975 - Grant of layouts by Urban Development Authority or Gram Panchayat. Insistence on submission of clearance/permission to insist on submission of clearance/permission under the Act as a condition precedent for releasing of layouts. However, if the land has been put to non-agricultural use before coming into force of the Act, such clearance/permission shall not be insisted as the Act is not retrospective in operation. Both the 2006 Act and 1975 Act operate in totally different areas altogether. 1975 Act deals with promotion and development of Urban areas while 2006 Act places restrictions on the use of the land irrespective of its location. K. Satyananda Patnaik and others v. Hyderabad Urban Development Authority, rep. by its Vice-Chairman, Hyderabad 2010 (5) ALT 453.

CASE LAW

The 2006 Act is intended to regulate the conversion of an agricultural land for non-agricultural purposes. That Act operates, vis-a-vis the lands situated in rural as well as urban areas. It is a different matter that the Act in its operation does not reflect the intended purposes. A perusal of the same indicates that, if a stipulated amount is paid, the concerned authority has no option, whatever, except to accord permission. In a way, the Act turned out to be a money generating devise, than the one, to accord permission. Once the authority does not accord permission to convert an agricultural land, the matter ends there, and it would have been converted into non-agricultural land, the matter ends there, and it would have been converted into non-agricultural use without the permission as required under Section 3, the land shall be deemed to have been converted into non-agricultural purpose.

(2) Upon such deemed conversion, the competent authority shall impose a fine of 50% on the said land specified under Section 4 in such manner as may be prescribed.

(3) The owner or occupier of the land shall pay the fine so imposed under sub-section (2) in such manner as may be prescribed.

1. Subs. for the words "fee/fees" substituted by A.P. Act 16 of 2012.
(4) Any [tax] or penalty which remains unpaid after the date specified under subsection [2] for payment, shall be recoverable as per the provisions of the Andhra Pradesh Revenue Recovery Act, 1864.

7. **Act not to apply to certain lands:**—
Nothing in this Act shall apply to—
(a) Lands owned by the State Government;
(b) Lands owned by a local authority and used for any communal purposes so long as the land is not used for commercial purposes;
(c) Lands used for religious or charitable purposes;
(d) Lands used by owner for household industries involving traditional occupation, not exceeding one acre;
(e) Lands used for such other purposes as may be notified by the Government from time to time;
(f) Lands used for Aquaculture, Dairy and Poultry.

8. **Appeal:**—
Any person aggrieved by an order of the Revenue Divisional Officer may file an appeal before the Collector within sixty days of receipt of such order by the applicant.

**CASE LAW**

Preservation of tank: Section 8 - It is the obligation of the concerned Departments of Government to preserve the tanks and to see that no part of a tank bed is allotted or assigned and that no constructions are made therein. T. Pingavarapu V. Kurmapalle, Annavaram, Medak, 2013 (3) ALT 70 - 2013 ALT (Rev.) 182.

9. **Act to Override other Laws:**—
The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force, or any custom or usage having the force of law or contract or judgment decree or order of a court or any other authority.

10. **Power to give directions:**—
For the purpose of giving effect to the provisions of this Act it shall be competent for the Government to issue such directions as they may deem fit to any officer, authority or persons subordinate to the Government.

11. **Bar of Jurisdiction:**—
Save as otherwise expressly provided in the Act, no Court shall entertain any suit, or other proceeding to set aside or modify, or question the validity of any tax under Section 3 or fine imposed under Section 6, or order or decision made or passed by any officer or authority under the Act or any rules made under, or in respect of any other matter falling within its scope.

12. **Protection of action taken in good faith:**—
No suit, prosecution or other legal proceedings shall be instituted against any person for anything which is in good faith done or intended to be done under this Act or under the rules made thereunder.

13. **Power to remove difficulties:**—
If any difficulty arises in giving effect to the provisions of this Act, the Government may by order in the Andhra Pradesh Gazette make such provisions not inconsistent with the purposes or provisions of this Act as appear to them to be necessary or expedient for removing the difficulty.

14. **Power to make rules:**—
(1) The Government may by notification make rules for carrying out all or any of the purposes of this Act.
(2) Every Rule made under this Act shall immediately after it is made, be laid before the Legislative Assembly of the State, if it is in the session and if it is not in session, in the session immediately following, for a total period of fourteen days which may be comprised in one session, or in two successive sessions, and if before the expiration of the session in which it is so laid or the session immediately following the Legislative Assembly agrees in making any modification in the rule or in the annulment of the rule, the rule shall from the date on which the modification or annulment is notified have effect only in such modified form or shall stand annulled as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

15. **Repeal of Act 14 of 1963:**—
(1) The Andhra Pradesh Non-Agricultural Lands Assessment Act, 1963 is hereby repealed.
(2) Upon such repeal,—
(a) the provisions of Section 8 of the Andhra Pradesh General Clauses Act, 1891 shall apply;
(b) all the outstanding arrears from individuals/institutions under the Andhra Pradesh Non-Agricultural Lands Assessment Act, 1963 as on the date of commencement of this Act shall be recovered under the provisions of the Andhra Pradesh Revenue Recovery Act, 1864.

---

1. Subs. for the words "fee/fees" substituted by A.P. Act 16 of 2012.
2. Item (f) inserted by A.P. Act 16 of 2012.
AN ACT FURTHER TO AMEND THE ANDHRA PRADESH AGRICULTURAL LAND (CONVERSION FOR NON-AGRICULTURAL PURPOSES) ACT, 2006.

Be it enacted by the Legislature of the State of Andhra Pradesh in the Sixty-third year of the Republic of India as follows:-

[1] A. 364
1. (1) This Act may be called the Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) (Amendment) Act, 2012.

(2) Section 3 shall be deemed to have come into force with effect on and from the 2nd January, 2006 and the remaining provisions shall come into force on such date as the Government may, by notification, appoint.

2. In the Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) Act, 2006 (herein after referred to as Principal Act) in section 4,-

(1) in sub-section (1) for the figures “10%”, the figures “9%” shall be substituted;

(2) after sub-section (1), the following proviso, shall be added, namely,-

“Provided that the owner or occupier of agriculture land in the areas covered under Greater Hyderabad Municipal Corporation, Greater Visakhapatnam Municipal Corporation and Vijayawada Municipal Corporation, shall have to pay a conversion tax for non-agricultural purposes, at the rate of 5% of the basic value of the land.”.

3. In section 7 of the principal Act, after item (e), the following item, shall be added, namely,-

“(f) Lands used for Aquaculture, Dairy and Poultry.”

4. In the Principal Act, for the word “fee/fees”, wherever it occurs, the word “tax” shall be substituted.

A. SHANKAR NARAYANA,
Secretary to Government,
Legislative Affairs & Justice,
Law Department.
ANDHRA PRADESH ACTS, ORDINANCES AND
REGULATIONS Etc.,

The following Act of the Andhra Pradesh Legislature received the assent of the Governor on the 11th January, 2018 and the said assent is hereby first published on the 12th January, 2018 in the Andhra Pradesh Gazette for general information :-

ACT No. 13 of 2018

AN ACT FURTHER TO AMEND THE ANDHRA PRADESH AGRICULTURAL LAND (CONVERSION FOR NON-AGRICULTURAL PURPOSES) ACT, 2006.

Be it enacted by the Legislature of the State of Andhra Pradesh in the Sixty-eighth year of the Republic of India, as follows:-

1. (1) This Act may be called the Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) (Amendment) Act, 2017.

   (2) It shall come into force on such date as the State Government may, by notification, appoint.

2. In the Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) Act, 2006 (herein after referred to as the Principal Act), in section 3,-
   (1) in sub-section (1), for the words, “permission of the Competent authority”, the words “payment of Conversion Tax to Government”, shall be substituted.
   (2) for sub-section (2), the following shall be substituted, namely,-

   “(2) An intimation of payment of Conversion Tax along with a copy of the challan/receipt shall be sent to the Competent authority. Such intimation shall be sufficient proof for payment of Conversion Tax and no separate order shall be required to be passed by Competent authority in the matter except where proceedings are initiated for deficit payment of Conversion Tax.”.

[1]
(3) In sub-section (3), for the expression, "sub-section (2)", the expression, "sub-sections (1) and (2)", shall be substituted.

(4) sub-section (6) along with the proviso, shall be omitted.

Amendment of section 4.

3. In section 4 of the Principal Act,-

(1) in sub-section (1), for the expression, "9%", the expression "3%" shall be substituted.

(2) in the proviso to sub-section (1), the words "Greater Hyderabad Municipal Corporation," shall be omitted and for the expression, "5%", the expression, "2%" shall be substituted.

Amendment of section 5.

4. In section 5 of the Principal Act, for the words, "order, in respect of the lands situated within his territorial jurisdiction, conversion of land use from agricultural purpose to non-agricultural purpose" the words, "issue notice under sub-section (3) of section 3 and impose fine under sub-section (2) of section 6.", shall be substituted.

Amendment of section 6.

5. In sub-section (1) of section 6 of the Principal Act, for the words, "obtaining permission", the words, "Payment of Conversion Tax", shall be substituted.

Amendment of section 7

6. In section 7 of the Principal Act, after item (f), the following item, shall be added, namely,-

"(g) Lands allotted to the Andhra Pradesh Industrial Infrastructure Corporation (APIIC)."

DUPPALA VENKATARAMANA,
Secretary to Government,
Legal and Legislative Affairs & Justice,
Law Department.
ANDHRA PRADESH ACTS, ORDINANCES AND REGULATIONS Etc.,

The following Act of the Andhra Pradesh Legislature received the assent of the Governor on the 20th December, 2020 and the said assent is hereby first published on the 23rd December, 2020 in the Andhra Pradesh Gazette for general information:

ACT No. 32 of 2020.

AN ACT FURTHER TO AMEND THE ANDHRA PRADESH AGRICULTURAL LAND (CONVERSION FOR NON-AGRICULTURAL PURPOSES) ACT, 2006.

Be it enacted by the Legislature of the State of Andhra Pradesh in the Seventy First Year of the Republic of India as follows,-

1. (1) This Act may be called the Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) (Amendment) Act, 2020.

(2) It shall be deemed to have come into force on and from the 13th August, 2020.

2. In the Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) Act, 2006 (herein after referred to as the Principal Act), in section 3, after sub-section (6), the following sub-section shall be added, namely,-

"(7) On the request, the lands put into use for establishment of Solar Power plants by the Andhra Pradesh Green Energy Corporation Ltd. (APGECL), shall be reconverted into Agriculture Lands after closure of projects, by collecting 1% Reconversion fee on basic value by the competent authority."

J. 220/20

[1]
Amendment of section 7.

In the principal Act, in section 7, after item (g), the following shall be added, namely,-

"(h) Lands allotted to Andhra Pradesh Green Energy Corporation Ltd. (APGECL)".

Repeal and Savings.

Ordinance No. 8 of 2020.

1. The Andhra Pradesh Agricultural Land (Conversion for Non-Agricultural Purposes) (Amendment) Ordinance, 2020 is hereby repealed.

2. Notwithstanding such repeal, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under this Act.

VADDADI SUNITHA,
Secretary to Government (FAC),
Legal and Legislative Affairs & Justice,
Law Department.