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INFORMATION

ఆంధ్రప్రదేశ్ రాజపత్రము
THE ANDHRA PRADESH GAZETTE
PART IV-B EXTRAORDINARY
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No.6] AMARAVATI, WEDNESDAY, 3rd SEPTEMBER, 2025.

**ANDHRA PRADESH ACTS, ORDINANCES AND
REGULATIONS Etc.,**

The following is the authoritative text in English Language of the Ordinance promulgated by the Governor on the 1st September, 2025 is being published under Article 348(3) of the Constitution of India for general information:-

ANDHRA PRADESH ORDINANCE No. 6 OF 2025.

Promulgated by the Governor in the Seventy-sixth year of the Republic of India.

AN ORDINANCE FURTHER TO AMEND THE ANDHRA PRADESH TOWN PLANNING ACT, 1920, THE ANDHRA PRADESH MUNICIPALITIES ACT 1965, THE ANDHRA PRADESH CAPITAL REGION DEVELOPMENT AUTHORITY ACT, 2014 AND THE ANDHRA PRADESH METROPOLITAN REGION AND URBAN DEVELOPMENT AUTHORITIES ACT, 2016.

Whereas, the Andhra Pradesh Agricultural Land (Conversion for Non Agricultural Purposes) Act, 2006 (commonly known as the NALA Act) was introduced to regulate the conversion of agricultural lands into non agricultural uses. Over time, however, the Act has become a source of procedural complexity, administrative delays, and duplication of responsibilities between departments, thereby hindering effective urban planning and Ease of Doing Business;

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And Whereas, in view of these challenges, the Government of Andhra Pradesh proposes to repeal the NALA Act and integrate the conversion of land use into the domain of Urban Local Bodies (ULBs) and Urban Development Authorities (UDAs), in line with their constitutionally assigned roles under the 12th Schedule of the Indian Constitution. This move aims to simplify regulatory mechanisms, improve service delivery, enhance transparency, and reduce delays in approvals and clearances;

And Whereas, to facilitate a smooth transition, the repeal is accompanied by necessary amendments to the Andhra Pradesh Metropolitan Region and Urban Development Authorities Act, 2016; the Andhra Pradesh Capital Region Development Authority Act, 2014; the Andhra Pradesh Town Planning Act, 1920; and the Andhra Pradesh Municipalities Act, 1965;

And Whereas, these amendments provide legal backing for the introduction and collection of **External Development Charges (EDC)** in place of the NALA conversion charges. EDC will serve as a key financial instrument to fund public infrastructure and urban services, and will be collected by ULBs, UDAs, APCRDA, and VMRDA;

And Whereas, Exemptions from EDC will also be granted to lands owned by the State Government or local bodies used for public purposes, charitable and religious institutions, household industries (up to one acre), aquaculture, dairy, poultry activities, and lands allotted to APIIC and APGECL;

And Whereas, the annual NALA charge collections amount to Rs. 150 crores, with over Rs. 2,450 crores in arrears. The EDC mechanism is designed to compensate for this revenue while ensuring a sustainable funding model for urban infrastructure;

And Whereas, these reforms reflect a significant shift towards efficient, decentralized, and integrated urban governance, with a focus on improved land-use regulation, accountability, and infrastructure development;

And whereas, the Legislature of the State is not now in session and the Governor of Andhra Pradesh is satisfied that the circumstances exist which render it necessary for him to take immediate action;

Now, therefore, in exercise of the powers conferred by clause (1) of Article 213 of the Constitution of India, the Governor of Andhra Pradesh hereby promulgates the following ordinance:-

1. (1) This Ordinance may be called the Andhra Pradesh Municipal Laws (Amendment) Ordinance, 2025. Short title and commencement.

(2) It shall come into force at once.

2. In the Andhra Pradesh Town-Planning Act, 1920 (hereinafter referred to as the Principal Act),- Amendment of Section 2.

(1) in section 2, after clause (2), the following sub-clause shall be inserted, namely,- Act No.VII of 1920.

“(2-A) “External Development Charges” means the charges collected for conversion of Agriculture land into Non Agriculture purpose, and which shall be used for laying of major trunk infrastructure such as roads, flyovers, regional parks, other city wise amenities, external facilities supporting the larger urban area etc.”.

(2) In the Principal Act, for section 18A, the following shall be substituted, namely,- Amendment of Section 18A.

“18A(1) Subject to the provisions of this Act, the competent authority shall levy, development charges, **External Development Charges** at such rate as may be prescribed on the institution of use or change of use of land or building or development of any land building for which permission is required under this Act in the whole area or any part of the development area:

Provided that different rates of development charges may be prescribed for different parts of the development area and for different uses.

(2) Notwithstanding anything contained in sub-section (1), no development charges shall be levied on the institution of use or change of use of land or building or development of any land or building vested in or under the control or possession of the Central or the State Government or of any local authority.

- (3) Subject to the provisions of the Act and rules made thereunder, the competent authority shall levy a charge, hereinafter called external development charges for conversion of Agriculture land into Non Agriculture purpose.
- (4) The above said external development charges mentioned in sub clause (3) shall not applicable for following lands,-
 - (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;
 - (g) Lands allotted to the Andhra Pradesh Industrial Infrastructure Corporation (APIIC);
 - (h) Lands allotted to Andhra Pradesh Green Energy Corporation Ltd. (APGECL).".

Amendment of
Section 184.
Act No. 6 of
1965.

3. In the Andhra Pradesh Municipalities Act, 1965, in Section 184, sub-section (1), shall be omitted.

Act No. 11 of
2014.

4. In the Andhra Pradesh Capital Region Development Authority Act, 2014 (hereinafter referred to as the Principal Act),-

Amendment of
Section 2.

- (1) in Section 2, after clause (15), the following sub-clause shall be inserted, namely,-

“(15-A) “External Development Charges” means the charges collected for conversion of Agriculture land into Non Agriculture purpose, and which shall be used for laying of major trunk infrastructure such as roads, flyovers, regional parks, other city wise amenities, external facilities supporting the larger urban area etc.”

- (2) In the Principal Act, in Section 108, in sub-section (1), for sub-clause (b), the following shall be substituted, namely,- Amendment of Section 108.

“(b) Payment of the development charges, **External Development Charges** and other fees and charges to the Authority to be levied under the Act.”.

- (3) In the Principal Act, in Section 119, after sub-section (3), the following sub-sections shall be added, namely ,- Amendment of Section 119.

“(4) Subject to the provisions of the Act and rules made thereunder, the authority shall levy a charge, hereinafter called external development charges for conversion of Agriculture land into Non Agriculture purpose.

- (5) The external development charges mentioned in sub-section (4) shall not applicable to the following lands,-

- (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;
- (g) Lands allotted to the Andhra Pradesh Industrial Infrastructure Corporation (APIIC);
- (h) Lands allotted to Andhra Pradesh Green Energy Corporation Ltd. (APGECL).”.

5. In the Andhra Pradesh Metropolitan Region and Urban Development Authorities Act, 2016 (herein after referred to as the Principal Act),- Act No. 5 of 2016.

- (1) in Section 2, after clause (14), the following sub-clause shall be inserted, namely,- Amendment of Section 2.

“(14A) “**External Development Charges**” means the charges collected for conversion of Agriculture land into Non Agriculture purpose, and which shall be used for laying of major trunk infrastructure such as roads, flyovers, regional parks, other city wise amenities, external facilities supporting the larger urban area etc.”.

Amendment of
Section 82.

- (2) In the Principal Act, in Section 82, sub-section (1), for sub-clause (b), the following shall be substituted, namely,-

“(b) Payment of the development charges, **External Development Charges** and other fees and charges to the Authority to be levied under the Act.”.

Amendment of
Section 100.

- (3) In the Principal Act, in section 100, after sub-section (3), the following sections shall be added, namely,-

“(4) Subject to the provisions of the Act and rules made thereunder, the authority shall levy a charge, hereinafter called external development charges for conversion of Agriculture land into Non Agriculture purpose.

- (5) The external development charges mentioned in sub-section (4) shall not applicable to the following lands, -

- (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;

- (g) Lands allotted to the Andhra Pradesh Industrial Infrastructure Corporation (APIIC);
- (h) Lands allotted to Andhra Pradesh Green Energy Corporation Ltd. (APGECL).”.

S. ABDUL NAZEER,

Governor of Andhra Pradesh.

GOTTAPU PRATIBHA DEVI,

Secretary to Government,
Legal and Legislative Affairs & Justice,
Law Department.