

**Subject No. 20**

Sub:-VUDA-Non development tax to be levied for Non constructed buildings in the stipulated period of 2 years of allotment – Reg.

Ref:- 1.G.o Ms.No.113 M.A. dt. 24-2-1984  
2.G.o Ms.No. 97 M.A. dt.17-2-94 read with notification in Dist.Gazette in March 94 by Vsp. Municipal Corporation.

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The VUDA is allotting sites to the public for construction of houses by them to meet the housing demand in Visakhapatnam and its vicinity area. Most of the sites allotted by VUDA are not being utilised by the allottees by constructing houses.

The Vsp.Municipal Corporation in accordance with G.O and notification in the Dist.Gazette in the reference second cited is levying "Vacant land tax" at one percent of the estimated capital value (Registration value of the site).

In case of VUDA as per allotment Regulation No.21 (v) issued vide G.O 1<sup>st</sup> cited, the allotment of the site shall be cancelled if the allottee fails to commence construction of the building in the site allotted within six months of the allotment of the plot made in his / her favour and complete construction of the building within a period of two years or within such further time as may be allowed by the Authority in its discretion in accordance with the Rules and Regulations in force.

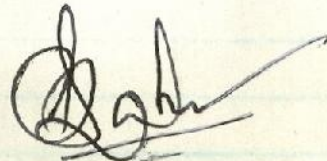
Practically, the above specific regulation is not being implemented strictly in view of the resistance from the allottee and also number of court cases filed by the allottees in such cases in the past.

In view of all the above, it may be desirable to modify the above regulation by including a provision to levy "Non-Development charges" for the sites allotted by VUDA at one percent or such %, as may be now indicated, of the market value for each year where the allottee fails to complete construction of building within two years.

Hence the matter is placed before VUDA Board for approval and the recommendations of the Board will be sent to Government.

**VUDA Resolution No.20 dated 2.4.2002**

Resolved to recommend to the Government for levying of non development fee for vacant sites in VUDA layouts for non-construction of buildings in the stipulated period of 2 years of allotment after making all necessary infrastructure facilities by VUDA at the rate of Rs.2/- per Sq.yard per annum in order to encourage the construction of the building on the sites allotted by VUDA for speedy development.



CHAIRMAN