

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Payment of City Level Infrastructure Impact Fee - Certain concessions
- Orders - Issued.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT(M1) DEPARTMENT

G.O.Ms.No.250

**Dated:07.06.2010
Read the following:**

1. G.O.Ms.No.86, MA&UD (M) Department, Dated 03.03.2006
2. G.O.Ms.No.678, MA&UD (M) Department, Dated 07.09.2007
3. G.O.Ms.No.302, MA&UD (M) Department, Dated 15.04.2008
4. G.O.Ms.No.569, MA&UD (M) Department, Dated 23.08.2008
5. G.O.Ms.No.38, MA&UD (M) Department, Dated 20.01.2009
6. G.O.Ms.No.39, MA&UD (M) Department, Dated 20.01.2009

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ORDER:

In the Go's 1st to 4th read above, Government have issued Revised Common Building Rules to Urban Development Authorities (UDA's), Municipal Corporations and Municipalities in the state. Under the said Rules for all the buildings of height above 15 mtrs, the City Level Infrastructure Impact Fee is levied with a view to ensure development of City Level Infrastructure facilities.

2. Considering certain representations from various organizations regarding deferred payment of City Level Infrastructure Impact Fee in view of the recession in the real estate sector and in order to encourage construction industry and to increase the supply of affordable housing stock, Government felt it necessary to provide certain concessions in payment of City Level Infrastructure Impact Fees, by way of deferred payment for a period of one year. Accordingly, Government have issued orders vide G.O. 5th read above permitting to pay the City/Town Level Infrastructure Impact Fees in six (6) equal installments within a period of three (3) years and to obtain post dated cheques for the above payments at the time of release of Building Permission subject to insisting of mortgage of additional 5% built up area or 50% of the ground / first / second floor area whichever is less to the sanctioning authority, which shall be over and above the area to be mortgaged under Revised Common Building Rules to the sanctioning authority for a period of one year to all new applications and pending applications also, where applicants have not paid the City level Infrastructure Impact fees.

3. Now, certain representations have been received from various organizations and developers stating that the City Level Infrastructure Impact Fee has been a major deterrent in the process of development as it is an upfront cost for the developer which was not the case earlier. Further they have represented that, it has become a major burden on the developers and they are unable to pay the fees because of the recession in Real estate sector. Therefore they have requested the Government to reduce City Level Infrastructure Impact Fee and also requested to extend the facility of payment of City Level Infrastructure Impact Fee in installments for a further period of two (2) years.

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4. Government, after careful examination of the matter in consultation with Metropolitan Commissioner, Hyderabad Metropolitan Development Authority, Hyderabad, Commissioner, Greater Hyderabad Municipal Corporation, Hyderabad and Director of Town & Country Planning, A.P. Hyderabad and in order to encourage the Housing activity and construction industry in the State, hereby issue the following orders with regard to City Level Infrastructure Impact Fees in partial modification to the Revised Common Building Rules issued in GOs 1st to 4th read above:

- (i) Facility of payment of City Level Infrastructure Impact Fee in installments is extended for a further period of two (2) years i.e. w.e.f 20.01.2010 to all new/ pending applications where the applicants have not paid the City level Infrastructure Impact fees and to obtain post dated cheques for the above payments at the time of release of building permission subject to insisting of mortgage of additional 5% built up area or 50% of the ground / first / second floor area whichever is less to the sanctioning authority, which shall be over and above the area to be mortgaged to the sanctioning authority under Revised Common Building Rules issued vide G.Os 1st to 4th read above.
- ii) In case of on going projects which have already been approved and where the deferred payment is already availed, the developer can opt for differed payment of City Level Infrastructure Impact Fee with a maximum period of five (5) years including the period already availed with ten (10) equal installments with no rebate/ reduction in the City Level Infrastructure Impact Fee. If the builder desires to obtain occupancy certificate before five (5) years period, the builder shall provide the bank guarantee equivalent to the balance City Level Infrastructure Impact Fee.
- iii) In case of new proposals, the City Level Infrastructure Impact Fee shall be paid in six (6) installments within a period of three (3) years. However, the first two (2) installments shall be paid at the rate of 10% of the impact fee each and remaining four (4) installments shall be paid at the rate of 20% of the impact fee each.
- iv) City Level Infrastructure Impact Fee in respect of Residential flats only is reduced by 30% (i.e 30% rebate on the existing rates) in respect of GHMC and other Municipalities, Corporations and Urban Development Authorities in the State. However, in order to reduce congestion and encourage development of surrounding areas it is decided to reduce impact fee by 50% in HMDA area outside Greater Hyderabad Municipal Corporation jurisdiction. The above rebate is applicable for the projects where building approvals are given over the next two (2) years.
- v) In case of on going projects, if the developer submits a revised plan with additional area/ floors in the same project within next 6 months, the entire project can be entertained with the above rebated rates as at para 4 (iv), only if the total impact fee payable/paid for the entire project, including the additional area/ floors in the project (compounded at the new rates) is more than the fee committed to be paid for the initial project (computed at the existing rates). If the amount is less than original commuted amount then the developer shall pay the City Level Infrastructure Impact Fee for the additional area as per the rebated rates stated above. The cases falling under this category have to pay City Level Infrastructure Impact Fee within

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three years time and in all such cases the benefit of five years indicated at para 4 (ii) shall not be made applicable. In no case, refund of City Level Infrastructure Impact Fee including the post dated cheques shall be entertained.

vi) In all the projects which are sanctioned rebate, the construction shall commence within two years from the date of issue of building approval and shall be completed within six years from the date of issue of building approval. Failure to adhere to this time frame will result in cancellation of rebate by the concerned local body / Urban Development Authority without any further notice.

5. The Commissioners of all Municipal Corporations / Municipalities and Vice Chairmen's of all Urban Development Authorities and Metropolitan Commissioner, Hyderabad Metropolitan Development Authority are directed to take further action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**T.S. APPA RAO
PRINCIPAL SECRETARY TO GOVERNMENT**

To

All the Municipal Commissioners in the State (through C&DMA, A.P. Hyderabad).

The Commissioner & Director of Municipal Administration, A.P. Hyderabad.

The Commissioner, Greater Hyderabad Municipal Corporation, Hyderabad.

The Metropolitan Commissioner, Hyderabad Metropolitan Development Authority, Hyderabad.

All Vice Chairmen's of all Urban Development Authorities in State.

The Director of Town & Country Planning, Hyderabad.

Copy to:

The PS to M (MA)/ Prl. Secretary(UD) / Prl. Secretary (MA)

Sf/Sc.

//FORWARDED BY ORDER//


SECTION OFFICER