

Revenue (1897) Department.

PRESS SERIES.

G.O., No. 691.

DATED 13th August 1897

[Despatch Abstract.]

Disposal of Town-sites.

Referring to the Board of Revenue (Land Revenue) for report letters from the Government of India about — owned by Government, and requesting that authority to revise the Standing Order on the subject with reference to certain instructions conveyed herein.

Revenue (1897) Department.

CURRENT No. 6161

FURTHER PAPERS.

No.	Department.	Date.	G.O.	No.	Department.

Order

From

The Govt of India,
R. & A. Dept.

No. $\frac{1583}{2552}$

Dated 14th July, 1897

Received

Registered

Enclosures

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SUBJECT.

Stating on what
principle the imposition
of revised rates for renewal
of grants of building site
should proceed.

Bm
21/7

BACK PAPERS.

G.O.	No.	Department.	Date.
	3561		4-9-96
	2139		

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Department of Revenue
and Agriculture.

Land-Revenue.

FROM

E. MACONOCHE, ESQ., I.C.S.,
Offg. Under-Secretary to the Government of India,

TO

The Secretary to the Government of Madras.

Simla, the 14th July 1897.

SIR,

I am directed to acknowledge the receipt of your letter No. 3561 dated 4th September 1896 enquiring with reference to paragraph 5 of the Resolution of the Government of India No. 21-223-12 dated 7th October 1895, on what principle the imposition of revised rates for renewal of grants of building sites should proceed. It is stated that a difficulty must arise in determining the letting value of sites at the time of revision, as the sites will have presumably been built upon and the value of a site with a building on it is not the same as that of a vacant site suitable for buildings.

2. In reply I am to say that the Government of India consider that the approximate capital value of a building site, including the value of the buildings standing on it, is generally capable of being ascertained. The separate value of the buildings standing on the site can also be ascertained, and in this way the value of the site exclusive of the buildings, can be inferred. When the capital value of the site is known, the rack-rental would approximately be 4 per cent on such capital value.

Another

Another and possibly more satisfactory method of ascertaining the full letting value of a site, exclusive of building standing on it, is to inquire what a similar site as yet unbuilt on would let for, or for what sum it could be sold.

I have the honour to be,

Sir,

Your most obedient servant,

E. Maunochil

Offg: Under-Secretary.

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13/8/97*

The Hon. Mr. Grose C. J. E.

The Hon. Sir Henry Bliss K. C. J. E.

Mr. 11/8/97

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9/8/97*

11/8/97

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27/8/97

Read again G. O. 3560-61. dated 4-9-96.

Read C. No. 6161 of 1897.

G. O. No. 691 of 13th Aug. 1897.

The papers read above which lay down the principles which the Government of India desire should be followed in future in the disposal of house-sites in towns will be referred to the Board of Revenue for report with the request that the Standing Order on the subject may be revised with reference to the following instructions, and the draft submitted for the approval of Government.

(1) The Government of India Resolution No. 21 dated 7th: October 1898 refers only to town lands. So no change in the existing practice of granting house-sites in villages is called for.

(2) At present, under G. O. No. 539 dated 20th: June 1893 it is left to the Collector to decide when a village has become a town and the ordinary gramanata-tan rules cease to apply. Every Collector should be required to prepare a list of the towns in his district for this purpose and publish it in the Gazette so that there can be no mistake in the application of the rules; and every subsequent addition to the list should be similarly notified.

(3) With regard to isolated plots referred to in para 2 of the Government of India Resolution quoted above, limit should be fixed up to which such areas

may continue to be dealt with under the existing rules.

(4) The Government of India leaves it to the Local Government to decide whether the lands shall be sold, leased, or granted on a permanent occupancy right.

It is observed that the practice of leasing out Government lands in towns for building sites does not obtain in this Presidency. They may as heretofore be sold by auction or granted to ^{the} ~~people~~ ^{claim} on occupancy right, subject to the payment in either case of assessment the amount of which is to be revised periodically.

(5) The use of the word quit-rent in the case of these lands is misleading, as it conveys the idea that the charge is fixed, and should be abandoned. "Ground-rent" should be used instead.

(6) The rate of ground-rent to be charged in the case of new grants should be fixed in accordance with the principles laid down in para 5 of the Resolution of the Government of India quoted above. The mode of determining the letting value of the sites at the time of revision of assessment is described in the second of the papers read above.

17/9/97

To The Board of Revenue (L.R)

Note.

21-9-97

The above draft has been pre-

pared with reference to the notes under

G. O. 3560 dated 4th: September 1896.

The Current read above is the reply to 3561

this Government's letter No. 4-9-96

(Sir Henry Bliss K.C. J.E)

The Honourable Member wished to know whether by "the letting value of the site at the time of revision" the Government of India meant the value of the site taken as it stands, with the buildings on it. That Government makes two alternative suggestions for ascertaining the value of the site. The latter of them implies that the letting value of the site at the time of revision is the value of the land independently of the building on it.

Orders are solicited on para 1 (3) of the draft order, as the point involved in it was not raised before.

13th Aug 97

approved
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17/9/97

21/9/97

Government (1897) of Madras.
REVENUE.

Recd.

Regd.

1897.

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G.O., No. 691, 13th August 1897.

AUGUST.

Disposal of Town-sites.

Referring to the Board of Revenue (Land Revenue) for report letters from the Government of India about — owned by Government, and requesting that authority to revise the Standing Order on the subject with reference to certain instructions conveyed herein.

GOVERNMENT OF MADRAS.

REVENUE DEPARTMENT.

READ—again the following G.O., Mis. No. 3560, dated 4th September 1896:—

Read—the following extract from the Proceedings of the Government of India, Department of Revenue and Agriculture (Land Revenue), No. 21—223-12, dated Simla, the 7th October 1895.

Read—

Circular letter No. 6—223-1, dated 27th June 1894, to Local Governments and Administrations (except Assam), asking for information regarding the orders and the practice in force in the several provinces with regard to the terms on which land in towns being the property of Government is leased or sold for building-sites.

Read—also the following replies to the above circular:—

From the Chief Commissioner of the Central Provinces, No. 3233, dated 26th July 1894.

From the Chief Commissioner of Coorg, No. 1313, dated 21st July 1894.

From the Government of the North-Western Provinces and Oudh, No. 1181-XII, 920-C, dated 1st August 1894.

From the Government of Bengal, No. 3894-L.R., dated 6th August 1894.

From the Government of the Punjab, No. 633-S., dated 17th August 1894.

From the Government of Madras, No. 3139, dated 9th August 1894.

From the Secretary for Berar, to the Resident at Hyderabad, No. 309, dated 22nd September 1894.

From the Chief Commissioner of Ajmere-Merwara, No. 1421-167, dated 21st December 1894.

From the Government of Bombay, No. 681, dated 28th January 1895.

From the Chief Commissioner of Burma, No. 185-T.—15, dated 2nd March 1895.

Resolution.—The Government of India have lately had under consideration the principles which should be followed in the alienation and assessment of town-sites which are the property of Government, and with a view to ascertain existing practice enquiry was made from the several provinces regarding the terms on which such land is usually leased or sold.

The replies cited in the preamble show that the present practice varies considerably from province to province and is not always in accord with the principles which the Government of India desire should be followed.

2. Where Government property in any town or station consists merely of isolated plots, the areas of which are inconsiderable, effective control by Government is difficult, and the income derived is seldom commensurate with the trouble of management. In such cases the Government of India desire no change in the existing practice, and leave the treatment of these plots to the discretion of Local Governments, who may decide what shall be the maximum area of plots that may continue to be dealt with under existing rules for the management of *nazul* and similar lands included in towns and stations. Where, however, under the practice of the province, town lands are assessed to land revenue, these lands should ordinarily form no exception to this rule, even though sold outright by Government.

3. But, where Government is the owner of the land upon which a town or station stands, save in so far as it has been already alienated, or where there are plots of land belonging to Government of larger area than is contemplated in the preceding paragraph, the interests of the State are of importance and it is desirable that the main principles upon which they are dealt with should be uniform. The objects which

these principles should secure are three-fold: first that the grantee should in all cases acquire such security of tenure as to afford a sufficient inducement for the expenditure of capital in building and improvement; secondly, that the source of revenue should in no case be permanently alienated, but that a rent should in all cases be fixed, subject to periodical revision; and thirdly, that the amount of rent to be taken at each revision should be subject to such limitations as may be necessary to secure the grantee in his property.

4. The Government of India leave it to Local Governments and Administrations to decide whether sites should be sold, or leased, or granted on a permanent occupancy right. But if they are leased, the lease should not ordinarily be for a shorter period than thirty years, and should in all cases provide for renewals up to a minimum period of ninety years, if not in perpetuity.

5. Ground-rent should in all cases be fixed. It should not ordinarily exceed 33 per cent. of the letting value of the site, or be less than the highest rate at which land revenue is assessed on lands in the neighbourhood. It should be subject to revision not less frequently than at each renewal, or, if the grant is in perpetuity, at intervals not longer than thirty years; and at each revision the above limitations should apply.

6. The Government of India desire that the above principles may be followed in future, and applied not only to all new grants but also to all renewals of existing grants or leases which may fall in in future, so far as they are not inconsistent with their terms.

The Government of Madras.

" " of Bombay.

" " of Bengal.

" " of North-Western Provinces and Oudh.

" " of Punjab.

The Chief Commissioner of the Central Provinces.

" " of Burma.

" " of Coorg.

The Secretary for Berar, to the Resident at Hyderabad.

The Chief Commissioner, Ajmere-Merwara.

Order.—Ordered that a copy of the foregoing resolution be forwarded to the Local Governments and Administrations noted on the margin for information and guidance.

Ordered also that a copy of the Resolution be forwarded to the Finance Department.

(True Extract.)

(Signed) DENZIL IBBETSON,
Offg. Secy. to the Government of India.

Order—Mis. No. 3560, Revenue, dated 4th September 1896.

Ordered that the following letter be despatched to the Government of India.

(True Extract.)

(Signed) A. T. ARUNDEL,
Ag. Secretary to Government.

READ—also letter from the Secretary to the Government of Madras, Revenue Department, to the Secretary to the Government of India, Revenue and Agricultural Department, No. 3561, dated 4th September 1896.

Adverting to paragraph 5 of the Resolution of the Government of India, No. 21—223-12, dated 7th October 1895, in which it is laid down that the maximum limit of 33 per cent. of letting value, prescribed for ground-rent in the case of house-sites in towns, should apply both when the sites are originally granted and when the grants are subsequently renewed, I am directed to point out the difficulty that must arise

in determining the letting value of sites at the time of revision, as the sites will then presumably have been built upon and the value of a site with a building on it is not the same as that of a vacant site suitable for buildings. I am, therefore, to inquire upon what principle the imposition of revised rates on renewal should proceed.

READ—also the following letter from E. MACONCHIE, Esq., I.C.S., Officiating Under Secretary to the Government of India (Department of Revenue and Agriculture—Land Revenue), to the Secretary to the Government of Madras, dated Simla, the 14th July 1897, No. 1583—335-2:—

I am directed to acknowledge the receipt of your letter, No. 3561, dated 4th September 1896, enquiring, with reference to paragraph 5 of the Resolution of the Government of India No. 21—223-12, dated 7th October 1895, on what principle the imposition of revised rates for renewal of grants of building-sites should proceed. It is stated that a difficulty must arise in determining the letting value of sites at the time of revision, as the sites will have presumably been built upon and the value of a site with a building on it is not the same as that of a vacant site suitable for buildings.

2. In reply, I am to say that the Government of India consider that the approximate capital value of a building-site, including the value of the buildings standing on it, is generally capable of being ascertained. The separate value of the buildings standing on the site can also be ascertained, and in this way the value of the site, exclusive of the buildings, can be inferred. When the capital value of the site is known, the rack-rental would approximately be 4 per cent. on such capital value.

Another and possibly more satisfactory method of ascertaining the full letting value of a site, exclusive of building standing on it, is to inquire what a similar site as yet unbuilt on would let for, or for what sum it could be sold.

ORDER—No. 691, Revenue, dated 13th August 1897.

Miscellaneous.

The papers read above which lay down the principles which the Government of India desire should be followed

in future in the disposal of house-sites in towns will be referred to the Board of Revenue for report with the request that the Standing Order on the subject may be revised with reference to the following instructions, and the draft submitted for the approval of Government:—

(1) The Government of India Resolution No. 21—223-12, dated 7th October 1895, refers only to town lands. So no change in the existing practice of granting house-sites in *villages* is called for.

(2) At present, under G.O., No. 539, dated 20th June 1893, it is left to the Collector to decide when a village has become a town and the ordinary *gramanattam* rules cease to apply. Every Collector should be required to prepare a list of the towns in his district for this purpose and publish it in the Gazette so that there can be no mistake in the application of the rules; and every subsequent addition to the list should be similarly notified.

(3) With regard to isolated plots referred to in paragraph 2 of the Government of India Resolution quoted above, a limit should be fixed up to which such areas may continue to be dealt with under the existing rules.

(4) The Government of India leaves it to the Local Government to decide whether the lands shall be sold, leased or granted on a permanent occupancy right. It is observed that the practice of leasing out Government lands in towns for building-sites does not obtain in this Presidency. They may as heretofore be sold by auction or granted to the poorer classes on occupancy right, subject to the payment in either case of assessment, the amount of which is to be revised periodically.

(5) The use of the word *quit-rent* in the case of these lands is misleading, as it conveys the idea that the charge is fixed, and should be abandoned. "Ground-rent" should be used instead.

(6) The rate of ground-rent to be charged in the case of new grants should be fixed in accordance with the principles laid down in paragraph 5 of the Resolution of the Government of India quoted above. The mode of determining the letting value of the sites at the time of revision of assessment is described in the second of the papers read above.

(True Extract.)

(Signed) G. STOKES,
Ag. Secretary to Government.

To the Board of Revenue (Land Revenue).

Exd. Shaik Karim.

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