

Name of the Assignment	Land Based Mechanisms for Improving Municipal Resources
Time Frame	Eight Months (Dec 2012-August 2013)
Consultant	Sh. V K Phatak
Current Status	Report Completed

1. **Objective of the Activity:** The primary objective of this activity is to study Land in an urban context for augmenting financial resources as a promising avenue of augmenting financial resources for urban infrastructure financing.
2. **Framework of the Activity and the Tasks to be performed:**
 - To study land based fiscal tools which can be used by ULBs for improving their resource base.
 - To study practices that are presently in use such as Development Charge, Betterment Levy, Impact Exaction Fees, Town Planning Schemes, Valorisation Charges, Tax on Vacant Land, Marketing of FSI, Transfer of Development Rights and similar other tools and practices in different states in India and abroad for generation of financial resources by using the land a resource;
 - To study use of land for remunerative purposes and suggest revenue implications thereof;
 - For conducting the proposed study, the Consultant will take sample of states preferably (i) Maharashtra, (ii) Karnataka, (iii) Tamil Nadu,(iv) Andhra Pradesh, (v) Gujarat, and (vi) Delhi. The sample of states and Union Territories will be firmed up by the Consultant on basis of facts in the Inception Report to be submitted by the Consultant at the end of week two from the date of award of this assignment;.
 - Review and evaluate practices in states, even if these are on limited scale, where land is being used for additional resource generation and suggest the ways of its replication by the ULBs in other states;
 - Suggest innovative fiscal tools for generation of financial resources by using land;
 - Identify land based fiscal tools that are profitably used in countries abroad and suggest modalities of their replication in India by the ULBs;
 - Suggest ways in which land based fiscal tools could also be used for effective regulation of urban land; and
3. **Expected Outputs:** The study will provide suggestive measures for using land as fiscal tool and prepare draft guidelines for the state governments and the ULBs for using these tools for generation of additional financial resources by the ULBs.
4. **Current Status:** The study has been completed. The Report recommended, consolidation of various Land Based Fiscal Tools currently in practice into “Urban Infrastructure Benefit Tax (UIBT) ” in the form of a one-time benefit tax levied at the

time of granting development permission. The Report was presented and discussed in a National Workshop during Feb 2014, organised by NIUA in collaboration with CBUD Project, under the PEARL program of MoUD. It was further decided that for broader dissemination of the study report/ recommendations, NIUA in collaboration with CBUD, will organise 4 Regional Workshops.

Basic objective of these workshops are to (i) further disseminate the findings of this policy study to the states and the ULBs, and (ii) create policy environment for devolving of the land based fiscal tool by the states to the ULBs. A brief note has been prepared by CBUD Team and given to the NIUA to facilitate preparation of a proposal for conducting of four regional workshops. NIUA is working on this proposal. The expenditures to be incurred on the regional workshops will be met by the MoUD under PEARL.

