

Bill No. XXXIII of 2017

**THE URBAN AREAS (EQUITABLE DEVELOPMENT AND
REGULATION) BILL, 2017**

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BILL

to establish an Urban Areas Equitable Development Authority to provide for clean, hygienic maintenance of environment and public spaces, resettlement of people living in slums in decent housing facilities, issuing guidelines for employment of people in slums in the reconstruction activities, facilitating system of self policing among citizens, proper underground drainage and sewerage network, dedicated paths for pedestrians and cyclists, formulate policies for subsidising cycles and promoting eco-friendly transport, creation of community markets for hawkers and their resettlement in metro stations and subways, issuing licenses to hawkers, providing for minimum standards to be maintained by private hostels and paying guest accommodations and recommending their compulsory registration, framing guidelines for ensuring equal redistribution of economic and work opportunities in urban areas and for all matters connected therewith and incidental thereto.

BE it enacted by Parliament in the Sixty-eighth Year of the Republic of India as follows:—

1. (1) This Act may be called the Urban Areas (Equitable Development and Regulation) Act, 2017.

Short title,
extent and
commencement.

5 (2) It extends to the whole of India.

(3) It shall come into force on such date, as the Central Government may, by notification in the Official Gazette, appoint.

2. In this Act, unless the context otherwise requires,—

Definitions.

10 (a) “annual report” means a report giving the details of developmental activities taken up over a year by the Authority and detailing about targets set and achieved;

(b) "appropriate Government" means in the case of a State or a Union territory having legislature, the concerned State Government or the Union Territory Government, as the case may be, and in all other cases, the Central Government;

(c) "Authority" means the Urban Areas Equitable Development Authority established under section 3; 5

(d) "community house" means resting areas for the homeless with aim of providing shelter, food and water, either run by the appropriate Government or in Public-Private Partnership mode;

(e) "cycle lane" means lanes along major roads dedicated to bicycles;

(f) "hawker" means seller of unregistered or informal units set up along the roads, on pavements, footpaths; 10

(g) "MGNREGA" means Mahatma Gandhi National Rural Employment Guarantee Act, 2005; 42 of 2005.

(h) "pavement" means elevated platform along both sides of the road for pedestrians; 15

(i) "prescribed" means prescribed by the rules made under this Act;

(j) "private hostel or paying guest accommodation" means facility providing accommodation and/or food to non-local students, working professionals and run by private individuals;

(k) "slum" means places of residence in urban areas with little living space, without proper ventilation, basic drinking water and sanitation facilities, often described as not fit for human habitation; and 20

(l) "urban agglomerations" means urban areas constituting a town and its adjoining outgrowths.

Constitution
of Urban
Areas
Equitable
Development
Authority.

3. (1) With effect from such date as the Central Government may, by notification, appoint, there shall be constituted, for the purposes of this Act, an Authority, to be known as the Urban Areas Equitable Development Authority consisting of the following members, namely:— 25

(a) Minister of State, Ministry of Housing and Urban Affairs — *ex officio* Chairperson; 30

(b) Director General, Central Public Works Department (CPWD), Ministry of Housing and Urban Affairs — *ex officio* Vice-Chairperson;

(c) Secretaries of the Union Ministries of Housing and Urban Affairs and Statistics and Programme Implementation — *ex officio* Members;

(d) Chairperson, Housing and Urban Development Corporation Limited (HUDCO) — *ex officio* Member; 35

(e) Director, National Institute of Urban Affairs — *ex officio* Member;

(2) The Central Government shall appoint such number of officers and staff as it considers necessary for the functioning of the Authority.

(3) The salary, allowances and terms of conditions of services of officers and staff of the Authority shall be such, as may be prescribed. 40

Meetings of
the Authority.

4. (1) The Authority shall meet at such times and places and shall observe such rules of procedure in regard to transaction of business at its meetings as may be prescribed by the Central Government.

(2) The expenditure incurred by the Members referred to in sub-clauses (a) to (e) of section 3 to attend the meetings of the Authority shall be borne by their concerned controlling authorities. 45

5. (1) The Authority shall discharge such functions as may be necessary to ensure overall and equitable development of urban areas in the country and formulate a comprehensive policy within one year of setting up of the Authority to be put in action to achieve this objective.

Functions of
the Authority.

5 (2) Without prejudice to the provisions contained in sub-section (1), the functions of the Authority shall include to:—

10 (a) undertake a baseline study to collect comprehensive data about the dwelling conditions in slums, extent of coverage of underground sewerage system, surplus land under various Ministries of Government of India, the condition of pavements and cycle lanes, hawkers, status of migration into urban agglomerations and private hostels and paying guest accommodations which shall be completed within one year of setting up of the authority;

(b) formulate framework for re-construction of decent housing facilities for citizens residing in slums and resettlement of people therein which shall include to,—

15 (i) recommend to the Central Government of the land pooling of surplus lands with various Ministries, for the purpose of constructing houses for residents of slums;

(ii) recommend to the Central Government to include re-construction of dwelling areas in slums under MGNREGA;

20 (iii) issue guidelines to the appropriate Government for effective implementation of re-construction in slums; and

(iv) issue guidelines to the State Governments to employ the unemployed residents of the slum in the construction of houses for them;

25 (c) formulate guidelines for the construction of community houses for homeless destitutes in urban areas;

(d) provide strict rules to the appropriate Government prohibiting littering on roads and public spaces, which shall include to,—

(i) recommend to the State Governments the system of self policing by citizen volunteers for maintenance of clean and hygienic environment; and

30 (ii) recommend to the State Governments of increased fine of upto five thousand rupees for littering;

(e) recommend to the State Governments to recognise a unit as a municipality, only if more than ninety-five percent of the households are connected with underground sewerage network, which shall include to,—

35 (i) establish framework for construction of underground sewerage work; and

(ii) assist the State Governments in undertaking the construction of underground drainage system;

40 (f) provide guidelines to the Central Government for improving the condition of pavements for pedestrians which shall include to,—

(i) recommend to the Central Government of the minimum size of the footpath, on all major roads with traffic; and

(ii) issue guidelines to the State Government regarding maintenance of the footpaths and pavements;

45 (g) recommend to the Central Government for compulsory lanes for cycles on all major roads with traffic and National Highways, which shall include to,—

- (i) formulate policy of subsidising customers for cycle purchases; and
- (ii) frame guidelines for the State Governments to promote eco-friendly means of transport;
- (h) establish policy guidelines for construction of community markets for hawkers in urban areas, which shall include to, — 5
- (i) frame guidelines for the appropriate Government for resettlement of hawkers in metro stations and subways;
- (ii) issue guidelines to the State Government regarding compulsory licensing of the hawkers; and
- (iii) formulate guidelines to the State Government for checking the harassment of hawkers by policing authorities; 10
- (i) recommend to the Central Government regarding regulating the private hostels and paying guest accommodations in urban areas, which shall include to, —
- (i) prescribe minimum standards for basic amenities like food, rent chargeable, area of living space, along with any other safety specifications it may see fit; and 15
- (ii) formulate procedure for compulsory registration of private hostels and paying guest accommodations in urban areas;
- (j) formulate framework for equal distribution of work opportunities between different urban centres, which shall include to,— 20
- (i) provide guidelines to the State Government for disincentivising companies and imposing fee on the companies which set up their office in tier I cities;
- (ii) provide guidelines to the State Government for incentivising the employee to work in towns (with less than 10 lakh population) *vis-a-vis* cities; and 25
- (iii) develop Hardship Index, whose value on a scale from 1 to 100 will rank the urban areas of the country, based on set of predetermined criteria including— distance of the urban area from the sea, climate and geographical accessibility of the area by flights and other means of transport, and other criteria as may be prescribed by Authority; and 30
- (k) recommend to the Central Government any other activity related to urban development; and
- (l) undertake such other activities as may be prescribed by the Central Government. 35
- (3) The Authority shall disseminate any necessary knowledge and information collected, to the respective departments of the State Governments.

Annual report and its laying before the Parliament.

6. (1) The Authority shall prepare once every year, as may be prescribed, an annual report giving the summary of its activities, including schemes it has undertaken and recommended to the Government during the previous year and it shall contain statements of annual accounts of the Authority. 40

(2) A copy of the report shall be forwarded to the Central Government, and the Central Government shall lay the report before each House of Parliament as soon as it is received.

Central Government to provide funds.

7. **The Central Government, shall from time to time provide, after due appropriation made by Parliament by law in this behalf, requisite funds for carrying out the purposes of this Act.** 45

- 8.** If any difficulty arises in giving effect to the provisions of this Act, the Central Government, in consultation with the State Governments, may make such order or give such direction, not inconsistent with the provisions of this Act, as appears to it to be necessary or expedient for the removal of any difficulty. Power to remove difficulty.
- 5 **9.** The Central Government, in consultation with the State Governments, may by notification in the Official Gazette, make rules for carrying out the purposes of this Act. Power to make rules.

STATEMENT OF OBJECTS AND REASONS

In the last 15 years, India underwent rapid urbanization. Urban population in India grew by 2.76 percent per annum during 2001-11 to an estimate of 377.1 million. The level of urbanization in the country as a whole, defined as the proportion of urban population to total population, increased from 27.82 percent in 2001 to 31.14 percent in 2011. This migration from farm labour to industry, is mainly because of over employment in agriculture and lack of infrastructure related to education, health care in rural areas. Indian cities are not designed to handle this kind of population influx from villages. This has put pressure on urban facilities and services reflected in lack of dwelling facilities, clean and hygienic environment, proper drainage and sewerage networks, dedicated paths for pedestrians and cyclists, encroachment by hawkers among others rapid urbanization has resulted in lack of decent housing facilities, especially for the urban poor. High demand for the land in urban areas and the implied high prices of land has led to steady growth of slums and unplanned settlements. Presence of slums within urban areas, puts pressure on its civic services and impacts the overall urban service delivery. With a view to provide a permanent solution for the problem, the Bill constitutes an authority for resettlement of the people dwelling in the slums in urban areas, which will utilise the surplus land of the Government to build houses for people living in slums. For homeless destitutes who spend the nights on footpaths of roads, the Bill provides similar alternative.

To maintain clean and hygienic environment in urban areas, the Bill proposes prohibition of littering on roads and public spaces, through system of self-policing by the citizen volunteers. It also provides for compulsory underground sewerage network properly connecting all houses in a municipality. It also imposes stringent conditions to be imposed on the local bodies and a unit to be termed as a municipality only if it satisfies the above underground sewerage network.

The Bill formulates minimum size for footpaths, which must be made compulsory on all major roads with traffic, to address the poor condition of the pavements and absence of cycle lanes. The Bill also provides for dedicated lanes for cyclists, along all major roads and highways of the country and providing subsidy on cycle purchases to customers. To address the harassment faced by hawkers from the policing authorities, the Bill directs the appropriate Government to issue licenses to these vendors, construct dedicated community markets for hawkers and resettle them in metros and subways.

The cities are usually face an influx of migration of people searching for better education and job opportunities, increasing demand for hostels. The Bill proposes to regulate the private hostels by making their registration compulsory and prescribing minimum standards for basic amenities like quality of food, rent chargeable, area of living space etc. To ensure equal distribution of work opportunities among its citizens in cities and towns, the Bill imposes a fee on the companies setting up their branches in tier I cities. Such proposed fee will act as a disincentive for the companies and propel them to open more of their offices in tier II and tier III cities and towns. Such a scheme will work as an effective mechanism for redistribution of opportunities. To incentivise employee to work in these towns (with less than 10 lakh population) *vis-a-vis* cities, the Bill proposes a Hardship Index whose value on a scale of 1 to 100 will rank the towns and regions of work, based on their relative appeal. Criteria for deciding such appeal of towns, will include distance of town from the sea, its overall weather condition, its accessibility by flight and other means of transport among others. And the salary of the employees will be calculated in proportion to this Index. Such provision will also help in augmenting the urban infrastructure in tier II and tier III cities and towns.

Finally, the Bill seeks the public expenditure on urban development. While revenue expenditure by the Government for urban development stood at a mere 8 percent of total expenditure, share of capital expenditure was even low at 6 percent in 2011-12. The Bill proposes that the Government must increase its expenditure on urban development and its allocation to the States.

The Bill endeavours to enable urban dwellers access to basic urban services of decent housing facilities, clean and hygienic environment and overall development of infrastructure in urban areas, as enshrined in the Directive Principles of State Policy in the Constitution.

Hence this Bill.

VIVEK GUPTA

FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for the constitution of Urban Areas Equitable Development Authority and also appointment of such number of officers and staffs for its functioning. Clause 7 makes it obligatory for the Central Government to provide requisite funds for carrying out the purposes of this Bill. The Bill, therefore, if enacted, will involve recurring expenditure of five hundred crore rupees per annum from the Consolidated Fund of India. A non-recurring expenditure to the tune of rupees one hundred crore is also likely to be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 9 of the Bill gives power to the Central Government to make rules for carrying out the purposes of the Bill. The rules will relate to matters of details only. The delegation of legislative power is of normal character.

RAJYA SABHA

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to establish an Urban Areas Equitable Development Authority to provide for clean, hygienic maintenance of environment and public spaces, resettlement of people living in slums in decent housing facilities, issuing guidelines for employment of people in slums in the reconstruction activities, facilitating system of self policing among citizens, proper underground drainage and sewerage network, dedicated paths for pedestrians and cyclists, formulate policies for subsidising cycles and promoting eco-friendly transport, creation of community markets for hawkers and their resettlement in metro stations and subways, issuing licenses to hawkers, providing for minimum standards to be maintained by private hostels and paying guest accommodations and recommending their compulsory registration, framing guidelines for ensuring equal redistribution of economic and work opportunities in urban areas and for all matters connected therewith and incidental thereto.

(Shri Vivek Gupta, M.P.)