

PUNJAB VIDHAN SABHA

BILL NO. 16-PLA-2021

THE PUNJAB APARTMENT OWNERSHIP (AMENDMENT) BILL, 2021

A

BILL

further to amend the Punjab Apartment Ownership Act, 1995.

Be it enacted by the Legislature of the State of Punjab in the Seventy-second year of the Republic of India as follows:-

1. (1) This Act may be called the Punjab Apartment Ownership (Amendment) Act, 2021.

(2) It shall come into force on and with effect from the date of its publication in the Official Gazette.

2. In the Punjab Apartment Ownership, 1995 (hereinafter referred to as the principal Act), in section 3,-

(i) after clause (b), the following clause shall be inserted, namely:-

"(ba) "apartment building" means a building constructed on any land containing eight or more apartments, or two or more adjacent buildings with a total of eight or more apartments, or any existing building converted into eight or more apartments;"

(ii) for clause (g), the following clause shall be substituted, namely:-

"(g) "building" includes any structure or erection or part of a structure or erection which is intended to be used for residential, commercial or for the purpose of any business, occupation, profession or trade, or for any other related purposes;"

(iii) for clause (j), the following clause shall be substituted, namely:-

Short title and commencement.

Amendment in section 3 of Punjab Act 13 of 1995

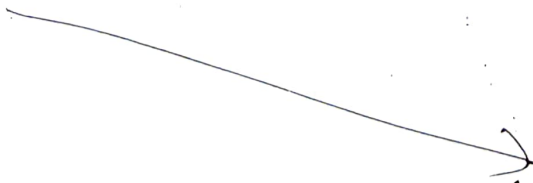
"(j) "common areas and facilities" means,-

- (i) the entire land of the project, or where the project is developed in phases, the entire land of that phase;
- (ii) the staircases, lifts, staircase and lift lobbies, fire escapes, and common entrances and exits of buildings;
- (iii) the common basements, terraces, parks, play areas, open parking areas and common storage spaces;
- (iv) the premises for the lodging of persons employed for the management of the property including accommodation for watch and ward staffs or for the lodging of community service personnel;
- (v) installations of central services such as electricity, gas, water and sanitation, air-conditioning and incinerating, system for water conservation and renewable energy;
- (vi) the water tanks, sumps, motors, fans, compressors, ducts and all apparatus connected with installations for common use;
- (vii) all community and commercial facilities as provided in the project; and
- (viii) all other portions of the project necessary or convenient for its maintenance, safety, etc., and in common use;" and

(iv) for clause (t), the following clause shall be substituted, namely:-

"(t) "person" includes,-

- (i) an individual;
- (ii) a Hindu undivided family;
- (iii) a company;



- (iv) a firm under the Indian Partnership Act, 1932 or the Limited Liability Partnership Act, 2008, as the case may be;
- (v) an association of persons or a body of individuals, whether incorporated or not;
- (vi) a co-operative society registered under the Punjab Co-operative Societies Act, 1961 (Punjab Act No. 25 of 1961); and
- (vii) any such other entity as the State Government may, by notification, specify in this behalf;".

Amendment in section 15 of Punjab Act 13 of 1995.

3. In the principal Act, in section (15), in sub-section (1), for the words and signs "impose a penalty upto a maximum of five thousand rupees or five per cent of the price of the apartment, whichever is greater, for each apartment for which there is a default together with a further minimum penalty for each apartment of one hundred rupees for every day for which the default continues, and the penalty may be recovered as an arrear of land revenue:", the following words and signs shall be substituted, namely:-

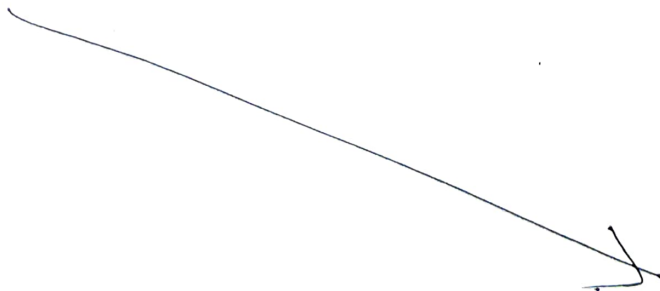
"impose,-

- (i) in case of promoter, a penalty, which may extend upto five per cent of the estimated cost of the project; and
- (ii) in case of apartment owner, a penalty, which may extend upto five per cent of the cost of the apartment,

and the penalty may be recovered as an arrear of land revenue."

Substitution of section 17 of Punjab Act 13 of 1995.

4. In the principal Act, for section 17, the following section shall be substituted, namely:-



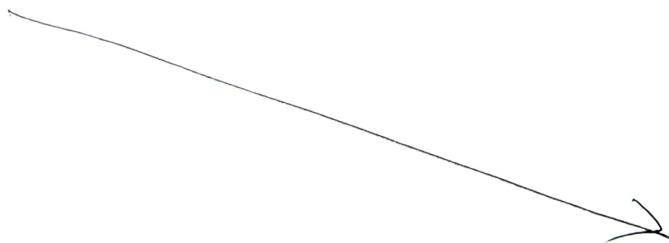
"17. (1) After obtaining occupation certificate and within three months of majority of the apartments being allotted, sold, or otherwise transferred, the promoter shall make an application to the competent authority appointed under clause (m) of section 3 of the principal Act for the registration of association, with the persons who have taken apartments as members and if the promoter fails to make such application, the allottees shall make such application.

(2) If the promoter or the allottees, as the case may be, fail(s) to make application for registration of the association within the period mentioned in sub-section (1), the competent authority shall by an order, direct the promoter or the allottees, as the case may be, to form an association of residents in respect of the project within such period, as may be specified in the order.

(3) The owner or allottee or occupier of any apartment shall be a member of the association from the date he takes possession of such apartment.

(4) The promoter of the project shall be an associate member of the association in respect of apartment(s) meant for allotment or sale, but not yet allotted or sold. When such apartment(s) is later on allotted, sold or otherwise transferred, the allottee shall become a member of the association and the promoter shall cease to be an associate member of the association in respect of such apartment from the date of possession.

(5) The responsibility for administration and management of the apartments and maintenance and upkeep of common areas, infrastructure and common services of the project shall devolve on the association from the date specified by the competent authority in the order passed under sub-section (13) of section 5 of the Punjab Apartment and Property Regulation Act, 1995 (Punjab Act No. 14 of 1995)."



5. In the principal Act, in section 37, for the words and signs "levy for each breach or contravention and penalty for each apartment upto a maximum of one percent of the price of the apartment, or, one thousand rupees, whichever is greater, and a further minimum penalty for each apartment of one hundred rupees for each day during which the breach or contravention continues and if the penalty so levied is not paid, it may be recovered as an arrear of land revenue.", the following words and signs shall be substituted, namely:-

"levy for each breach or contravention,-

- (i) in case of promoter, a penalty, which may extend upto five per cent of the estimated cost of the project;
- (ii) in case of apartment owner, a penalty, which may extend upto five per cent of the cost of the apartment; and
- (iii) in case of an association, a penalty of rupees ten thousand,

and if the breach or default is continuous, a penalty of rupees one thousand for each day of the breach or default shall be levied, and if the penalty so levied under clauses (i) to (iii) above is not paid by the promoter or apartment owner or association, as the case may be, it may be recovered as an arrear of land revenue."



STATEMENT OF OBJECTS AND REASONS

The Punjab Apartment Ownership Act, 1995 was enacted to provide for the ownership of an individual apartment in a building together with an undivided interest in the common areas and facilities appurtenant to such apartment to make such apartment and interest heritable and transferable, to enforce obligations on promoters and apartment owners, and to provide for matters connected therewith or incidental thereto. After the enactment of the Real Estate (Regulation and Development) Act, 2016, to harmonize the Punjab Apartment Ownership Act, 1995 with the Real Estate (Regulation and Development) Act, 2016, certain amendments in the Punjab Apartment Ownership Act, 1995 have been proposed. Hence, the Punjab Apartment Ownership (Amendment) Bill, 2021.

Sukhbinder Singh Sarkaria,
Housing and Urban Development,
Minister, Punjab.

CHANDIGARH:
THE 8th MARCH, 2021

SHASHI LAKHANPAL MISHRA,
SECRETARY.

N.B. - The above Bill was published in the Punjab Government Gazette (Extraordinary), dated the 8th March, 2021 under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly).