



Ceiling on Housing Property Law, No. 1 of 1973

(Incorporating Amendments up to
31st December, 1980)

May 1981

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Law, No. 1 of 1973
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(Incorporating Amendments up to
1st December, 1980)

MAY 1981

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FOREWORD

THIS reprint of the Ceiling on Housing Property Law, No. 1 of 1973, incorporates all amendments made to that Act up to 31st December, 1980. It is however not a statutory reprint. It is only issued for purposes of convenience.

I must express my gratitude to the Legal Draftsman Mr. P. N. K. Rodrigo for having made available the services of Mr. J. A. Paul, Assistant Legal Draftsman, for incorporating the amendments and reading the proofs.

R. PASKARALINGAM,
Secretary to the Ministry of Local Government,
Housing and Construction.

FOREWORD

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S. P. KARAYALAR

Secretary to the Ministry of Local Government,
Housing and Construction.

Law No. 1 of 1973

CEILING ON HOUSING PROPERTY

A LAW TO REGULATE THE OWNERSHIP, SIZE AND COST OF CONSTRUCTION OF HOUSES AND TO PROVIDE FOR MATTERS INCIDENTAL THERETO OR CONNECTED THEREWITH.

Laws

Nos. 1 of 1973
34 of 1974
18 of 1976
9 of 1977

[Law No. 1 of 1973—13th January, 1973]

Act

No. 56 of 1980

[Law No. 34 of 1974—8th October, 1974]

[Law No. 18 of 1976—30th July, 1976]

[Law No. 10 of 1977—29th September, 1977]

[Act No. 56 of 1980—18th December, 1980]

1. This Law may be cited as the Ceiling on Housing Property Law, No. 1 of 1973.

Short title.

PART I

REGULATION OF OWNERSHIP OF HOUSES

2. (1) The maximum number of houses which may be owned by an individual who is a member of a family shall be such number of houses which together with the number of houses owned by the other members of that family is equivalent to the number of dependent children, if any, in that family, increased by two.

Permitted
number of
houses.

(2) The maximum number of houses which may be owned by an individual who is not a member of a family shall be two.

(3) The maximum number of houses which may be owned by any body of persons, corporate or unincorporate, shall be such number of houses as is from time to time determined by the Commissioner to be necessary for the purpose of providing residence to the employees and functionaries of such body or of carrying out the objects (other than any object for the letting of houses on rent) of such body :

[§ 2, 34
of 1974*]

* The amendments made in section 2 by section 2 of Law No. 34 of 1974 shall be deemed to have come into force on January 13, 1973.—See section 20 of Law No. 34 of 1974.

Provided, however, that—

[§ 2, 34
of 1974*]

(a) the preceding provisions relating to the maximum number of houses that may be owned, shall not apply to a local authority, a Government Department or a public corporation ;

[§ 2, 34
of 1974*]

(b) a house not exceeding five hundred square feet in floor area situated in an estate owned by a public company and occupied by an employee thereof shall not be taken into account in determining for the purposes of this Law the number of houses owned by such public company ; and

[§ 2, 34
of 1974*]

(c) a house owned by a body of persons which is let by such body to a person other than an employee or functionary of such body shall not be taken into account in determining the number of houses necessary for the purpose of providing residence to the employees and functionaries of such body.

(4) The maximum number of houses which may be owned by any person according to the preceding provisions of this section is hereinafter referred to as the "permitted number of houses."

(5) An individual shall for the purposes of this Law be deemed to be a member of a family if such individual has a spouse or a dependent child or is a dependent child of any individual.

Applications
by bodies of
persons for the
determination
of permitted
number of
houses.

[§ 3, 34 of
1974]

1A. (1) Every body of persons which owns houses shall apply to the Commissioner, giving such particulars as are necessary for the purpose, for the determination of the maximum number of houses which, in accordance with the provisions of subsection (3) of section 2, may be owned by such body. Such application shall be made—

(a) in the case of a body of persons owning houses on the date of commencement of this Law or becoming the owner of houses on any day after such date and before November 1, 1974, before such date as may be fixed for the purpose by the Minister by Notification published in the *Gazette* ; and

*The amendments made in section 2 by section 2 of Law No. 34 of 1974 shall be deemed to have come into force on January 13, 1973—See section 20 of Law No. 34 of 1974.

(b) in the case of a body of persons becoming the owner of houses on or after November 1, 1974, within four weeks of so becoming the owner of houses :

Provided that it shall not be necessary for any body of persons to make a fresh application under the preceding provisions of this subsection, if prior to the coming into operation of this section such body has applied to the Commissioner for a determination of the maximum number of houses that may be owned by such body.

(2) Where any body of persons becomes entitled to own any house in excess of the maximum number of houses as previously determined by the Commissioner or by the Board of Review, as the case may be, such body shall apply to the Commissioner for a further determination of the maximum number of houses that may be owned by such body.

3. In determining the number of houses for the purposes of section 2—

(1) a house which belongs to a religious organization or charitable trust or which is part of an industrial, commercial or agricultural, concern shall be excluded, if, and only if, such house is in the opinion of the Commissioner used exclusively for the purposes of such religious organization, trust or concern ;

(2) a person who, on or after the date of commencement of this Law, becomes the owner of more than one-half share of any house owned in undivided shares shall be deemed to own such house ;

(3) a person who, on or after the date of commencement of this Law, becomes the owner of not more than one-half share in more than one house owned in undivided shares, shall be deemed to own the number of houses in which he owns such shares, reduced by one ;

Determination of number of houses in certain cases.

[§ 4, 34 of 1974*]

[§ 2, 18 of 1976*]

[§ 4, 34 of 1974*]

[§ 2, 18 of 1976*]

* The amendments made in section 3 by section 4 of Law No. 34 of 1974 and section 2 of Law No. 18 of 1976 shall be deemed to have come into force on January 13, 1973—See section 20 of Law No. 34 of 1974 and section 15 of Law No. 18 of 1976.

[§ 4, 34 of 1974*]

[§ 2, 18 of 1976*]

- (4) a person who, prior to the commencement of this Law, owned shares in houses owned in undivided shares, shall be deemed to own such number of houses as is equivalent to the aggregate of such shares :

Provided however that, where such aggregate comprises a fraction—

- (a) such fraction shall be disregarded if it does not exceed one-half ;
(b) if such fraction exceeds one-half, such person shall be deemed to own such number of houses as is equivalent to the aggregate of such shares computed to the nearest whole number ;

[§ 4, 34 of 1974*]

- (5) a person who, on or after the date of commencement of this Law, becomes the owner of a sub-divided portion of a house shall, by virtue of his ownership of such sub-divided portion, and notwithstanding anything to the contrary in section 47, be deemed to own a house.

Persons who construct houses for sale not deemed to own such houses.

[§ 3, 18 of 1976†]

[§ 2, 56 of 1980]

4. (1) Where any person constructs a house for the purpose of sale, he shall not be deemed for the purposes of this Law to own such house if such house is not occupied before it is sold, and it is sold within twelve months of the date on which such house was, in the opinion of the Commissioner, ready for occupation, or within such extended period, not exceeding a further period of twelve months as may be allowed by the Commissioner on application made by such person.

[§ 2, 56 of 1980]

(2) Where any person constructs a house for the purpose or sale, being a house comprised in a housing project approved by the Minister by Order published in the *Gazette* as being essential to the implementation of the housing development policy of the Government, such person shall be deemed, for the purposes of this Law, not to own such house if—

- (a) such house is not occupied by such person before it is sold ;
and ;

* The amendments made in section 3 by section 4 of Law No. 34 of 1974 and section 2 of Law No. 18 of 1976 shall be deemed to have come into force on January 13, 1973—See section 20 of Law No. 34 of 1974 and section 15 of Law No. 18 of 1976.

† The amendment made in section 4 by section 3 of Law No. 18 of 1976 shall be deemed to have come into force on January 13, 1973—See section 15 of Law No. 18 of 1976.

(b) such house is sold within twenty years of the date on which it was, in the opinion of the Commissioner, ready for occupation.

5. Where any person who owned a number of houses on November 9, 1971, has, after such date and before the date of commencement of this Law, reduced the number of houses owned by him otherwise than by outright sale or gift, such person shall be deemed to own the number of houses he owned on November 9, 1971, unless he satisfies the Commissioner that he had taken steps to so reduce the number of houses prior to November 9, 1971, or had reduced such number for the purpose of providing accommodation to the members of his family.

Reduction of number of houses.

6. Where any person who owns the permitted number of houses applies to the Commissioner for the amalgamation of two or more houses, the Commissioner may, with the concurrence of the relevant authority, grant permission so to do if the Commissioner is satisfied, that such amalgamation is justified having regard to the requirements of housing accommodation of the family of such person, and if any of such houses is not let to a tenant.

Amalgamation of houses.

7. A person shall, for the purposes of this Law, be deemed to be the owner of a house notwithstanding that such house was constructed by him on land leased to him by the Government or by any other person.

Houses on leased lands.

8. (1) Every individual who is not a member of a family and who owns houses in excess of the permitted number of houses on the date of commencement of this Law shall, within twelve weeks of such date, and every body of persons owning houses in excess of the permitted number of houses on such date shall, within six weeks of the date on which the determination under this Law by the Commissioner, or as the case may be, by the Board of Review, of the maximum number of houses that may be owned by such body was communicated to such body, send by registered post to the Commissioner a declaration—

Declaration by owners of houses in excess of the permitted number of houses and vesting of such houses if no declaration or correct declaration is made.

(a) specifying the number of houses owned by such individual or body including houses owned in undivided shares ;

(b) specifying the houses the ownership of which such individual or body proposes to retain ; and

(c) giving such particulars relating to the houses referred to in paragraph (a) as are set out in the Schedule hereto.

Such individual or body shall simultaneously intimate in writing to the tenant, if any, of each house the ownership of which such individual or body does not propose to retain that the ownership of such house is not proposed to be retained.

(2) Where houses in excess of the permitted number of houses are owned on the date of commencement of this Law by the members of a family, the male spouse, or where such male spouse is not living or is not capable in law so to do, the female spouse, shall within twelve weeks of such date, send by registered post to the Commissioner a declaration—

- (a) specifying the number of houses owned by each member of of such family including houses owned in undivided shares ;
- (b) specifying the houses the ownership of which the members of such family propose to retain ; and
- (c) giving such particulars relating to the houses referred to in paragraph (a) as are set out in the Schedule hereto.

Such spouse shall simultaneously intimate in writing to the tenant, if any, of each house owned by each member of such family the ownership of which is not proposed to be retained that the ownership of such house is not proposed to be retained.

(3) Where the person sending the declaration under subsection (2) is not the owner of any house the ownership of which is not proposed to be retained, the declaration shall be accompanied by a statement of consent from the owner of such house. Where such owner does not give such consent, the Commissioner shall, after due inquiry, determine the houses the ownership of which shall be retained by the members of the family.

[§ 4, 18 of
1976]

(3A) Where the Commissioner has reason to believe that houses in excess of the permitted number of houses were owned by any person who has not made a declaration as required by subsection (1) or subsection (2), the Commissioner shall by a notice served on such person require such person to furnish the requisite declaration together with any other particulars in such manner as may be specified by the Commissioner within a period of six weeks from the date of service of such notice. A person who fails to furnish such declaration and such other particulars within such period shall be guilty of an offence under this Law, and shall, on conviction after trial before a Magistrate, be liable to a fine not exceeding one thousand rupees and to a further fine of one hundred rupees for every day on which such offence is continued after conviction.

(4) Any person who has, without reasonable cause, failed to send the declaration within the period referred to in subsection (1) or subsection (2), as the case may be, or has made any incorrect declaration in regard to the number of houses owned by him or by his family, as the case may be, shall be guilty of an offence under this Law, and any such house owned by such person or by any member of the family of such person as may be specified by the Commissioner by Notification published in the *Gazette* shall vest in the Commissioner with effect from such date as may be specified therein.

(5) Any house the ownership of which is not proposed to be retained in terms of any declaration made under this section, and in the case of a determination made by the Commissioner under subsection (3), any house the ownership of which is not retained as a result of such determination, is hereinafter referred to as a "surplus house".

(6) Where the ownership of any surplus house has been transferred by way of sale, gift, lease or other alienation, without the owner thereof having intimated in writing to the tenant thereof, as required by subsection (1) or subsection (2), that the ownership of such house is not proposed to be retained by him and such tenant makes an application to the Commissioner to purchase such house the Commissioner may, with the approval in writing of the Minister, by Order published in the *Gazette* vest such house in the Commissioner with effect from such date as may be specified in such Order.

[§ 4, 18 of
1976]

(7) The Commissioner may, where he deems it necessary, by a notice served on any person who has made a declaration under subsection (1) or subsection (2), require such person to furnish any further particulars in such manner as may be specified by the Commissioner within a period of six weeks from the date of service of such notice. Any person who fails to furnish such particulars within such period shall be guilty of an offence under this Law.

[§ 4, 18 of
1976]

9. The tenant of a surplus house or any person who may succeed under section 36 of the Rent Act, No. 7 of 1972, to the tenancy of such house may, within four months from the date of commencement of this Law, apply to the Commissioner for the purchase of such house.

Tenants
may apply
to purchase
surplus houses.

Houses in excess of the permitted number of houses may be sold within twelve months.

[§ 5, 34 of 1974*]

10. Where, on the date of commencement of this Law, any person owns any house in excess of the permitted number of houses, such person may, if such person is an individual, within a period of twelve months from such date, and if such person is a body of persons, within a period of six months of the date on which the determination under this Law by the Commissioner or as the case may be, by the Board of Review, of the maximum number of houses that may be owned by such body was communicated to such body, or where such body applies for, and is granted an extension of time by the Commissioner, within six months from November 1, 1974, dispose of such house with notice to the Commissioner, unless the tenant of such house or any person who may under section 36 of the Rent Act, No. 7 of 1972, succeed to the tenancy of such house, has made application with simultaneous notice to the owner for the purchase of such house.

Vesting of houses in excess of the permitted number of houses.

[§ 6, 34 of 1974†]

11. (1) Any house owned by any person in excess of the permitted number of houses which has not been disposed of within the period within which such person may dispose of such house in accordance with the provisions of section 10 shall on the termination of such period vest in the Commissioner :

Provided, however, that where the Commissioner, on application made to him by the owner of the house, is satisfied that the failure to dispose of the house was due to circumstances beyond the control of the owner, the Commissioner may, by Notification published in the *Gazette*, defer the vesting of the house for a further period not exceeding twelve months.

(2) Where any person becomes on any day after the date of commencement of this Law the owner of a house in excess of the permitted number of houses, he shall forthwith so notify to the Commissioner and specify the house the ownership of which he does not propose to retain, and such house shall, with effect from such date as may be specified by the Commissioner by Notification published in the *Gazette*, vest in the Commissioner, unless prior to

* The amendment made in section 10 by section 5 of Law No. 34 of 1974 shall be deemed to have come into force on January 13, 1973—See section 20 of Law No. 34 of 1974.

† The amendments made in section 11 by section 6 of Law No. 34 of 1974 and section 5 of Law No. 18 of 1976, shall be deemed to have come into force on January 13, 1973—See section 20 of Law No. 34 of 1974 and section 15 of Law No. 18 of 1976.

such date and with the permission of the Commissioner he has disposed of such house to the tenant thereof or where such tenant refuses to purchase it, to any other person. [§ 6, 34 of 1974*]

(3) Where on any day after the date of commencement of this Law any person becomes entitled to own any house in excess of the permitted number of houses as on such date, he shall so notify to the Commissioner who may, if any house owned by such person and vested in the Commissioner under the provisions of this Law continues to be so vested at the time of such notification, by Order published in the *Gazette*, divest himself of the ownership of such house, and on the publication in the *Gazette* of such Order, such house shall be deemed never to have vested in the Commissioner.

(4) Where under this Law, only a share in a house owned in undivided shares vests in the Commissioner, the entirety of such house shall be deemed to vest in the Commissioner; and such house shall, before it is sold by the Commissioner to any person other than the tenant thereof, be offered for sale to the person or persons who owned shares in such house prior to such vesting. [§ 5, 18 of 1976*]

12. (1) Any house vested in the Commissioner under this Law may be transferred by the Commissioner to any local authority, Government Department or public corporation, subject to such terms and conditions as the Minister may determine. Vested houses.

(2) Any house vested in the Commissioner under this Law shall, if the Commissioner proposes to sell such house, be offered for sale, in the first instance, to the tenant, if any, of such house, and where the tenant does not accept such offer, the Commissioner may sell such house to any other person. Where any house vested in the Commissioner is at the time of vesting not let to a tenant, the Commissioner may sell such house to any person. [§ 7, 34 of 1974†]

12A. (1) Notwithstanding anything in this Law, the Commissioner may, if he deems it just and equitable in the circumstances of the case, by an instrument of disposition signed by him, transfer any house— Power of Commissioner to transfer certain houses to the tenants of such houses.

(a) which has vested in him under section 8 (4) or section 11; and [§ 2, 9 of 1977]

* The amendments made in section 11 by section 6 of Law No. 34 of 1974 and section 5 of Law No. 18 of 1976 shall be deemed to have come into force on January 13, 1973—See section 20 of Law No. 34 of 1974 and section 15 of Law No. 18 of 1976.

* The amendment made in section 12 by section 7 of Law No. 34 of 1974 shall be deemed to have come into force on January 13, 1973—See section 20 of Law No. 34 of 1974.

- (b) the standard rent of which does not exceed twenty-five rupees per month ; and
- (c) which is situated in an area which, in the opinion of the Commissioner, may be required for the purposes of redevelopment,

to the tenant of such house and such tenant shall not be required to make any payment in consideration of such transfer. Such instrument of disposition shall be subject to the provisions of subsection (2) and to such conditions as may be prescribed. No stamp duty shall be payable in respect of such instrument.

(2) Where the Commissioner is of the opinion that any house transferred under subsection (1) is required for the purposes of the redevelopment of the area in which such house is situated, he may, by Notification published in the *Gazette*, cancel, with effect from such date as may be specified in such Notification, the instrument of disposition by which such house was so transferred. Upon the cancellation of any such instrument, the title to the house in respect of which such instrument was executed shall revert to, and vest in, the Commissioner, free from all encumbrances.

(3) The Commissioner shall transmit, or cause to be transmitted, a copy of every Notification referred to in subsection (2), to the Registrar of Lands of the district in which the house transferred by the instrument of disposition referred to in such Notification, is situated, and such Registrar shall make the necessary entries in the register relating to such house.

(4) Where the Commissioner cancels any instrument of disposition under subsection (2), he shall take all necessary steps to provide, upon such terms and conditions as may be determined by him, alternate accommodation for any person in whose favour such instrument was executed and who, at the time of such cancellation, was in occupation of the house in respect of which such instrument was executed.

(5) Upon the transfer of any house under subsection (1), any agreement for the sale of such house entered into between the Commissioner and the tenant of such house, under section 17, shall be deemed to be cancelled, and the Commissioner shall not be liable to refund to such tenant any payments made by such tenant in pursuance of such agreement.

(6) Every Notification made under subsection (2) shall be final and conclusive and shall not be called in question in any court, and the provisions of section 39 shall not apply to, and in relation to, such Notification.

(7) In this section, "house" includes such extent of land and such rights as is, or are, appurtenant to such house, and is, or are, described in any instrument of disposition transferring such house.

13. Any tenant may make application to the Commissioner for the purchase of the house let to him where no action or proceedings may under the Rent Act, No. 7 of 1972, be instituted for the ejection of the tenant of such house on the ground that such house is reasonably required for occupation as a residence for the landlord of such house or for any member of his family :

Applications by tenants for purchase of certain houses.

Provided, however, that where the application made is to purchase a house in respect of which an application may be made under section 14 (1), the Commissioner shall not take any action in respect of the application made unless the owner of such house consents to the sale of such house ; and such consent may be withheld under this Law in respect of only one of the permitted number of houses.

For the purposes of this section and section 12, "tenant" includes a tenant in whose favour an order for the delivery of possession of a house has been made under section 5 of the Protection of Tenants (Special Provisions) Act, No. 28 of 1970.

In this section, the expression "house" does not include a house owned by a local authority, a Government Department or a public corporation.

[§ 6, 18 of 1976]

13A. (1) Where the owner of a house—

Applications to purchase houses of persons who have left Sri Lanka &c

(a) has left Sri Lanka, and has either renounced citizenship of Sri Lanka or has ceased to be a citizen of Sri Lanka under the Citizenship Act ; or

(b) has been residing abroad for a continuous period of ten years otherwise than as an employee of the Government of Sri Lanka or of any foreign government or of any international institution ; or

[§ 7, 18 of 1976]

(c) has left Sri Lanka for the purpose of settling abroad ; or

(d) is not in existence or is not known or cannot be traced,

the tenant of such house may apply to the Commissioner for the purchase of such house.

(2) Notwithstanding anything in section 17, where a tenant makes an application under subsection (1) for the purchase of a house and such tenant proves to the satisfaction of the Commissioner—

- (a) that he has been the tenant of such house for not less than five years prior to the date of such application ; and
- (b) that he was not during the period commencing on January 13, 1973, and ending on the date of such application, the owner of a house, for the ejection of the tenant of which, no action or proceeding may be instituted under the Rent Act, No. 7 of 1972, on the ground that such house is required for occupation as a residence for the landlord of such house or for any member of the landlord's family,

the Commissioner shall publish a notice in the *Gazette* and in one Sinhala newspaper, one Tamil newspaper and one English newspaper circulating in Sri Lanka, stating that an application has been made under subsection (1) for the purchase of such house.

(3) The notice referred to in subsection (2) shall—

- (a) contain adequate particulars and description of the house in respect of which the application has been made,
- (b) state that written objections to the application may be made to the Commissioner ; and
- (c) specify the period within which such objections may be made such period being not more than three months from the date on which such notice is published.

(4) Where any written objections are made to the Commissioner under subsection (3), the Commissioner shall give the objector an opportunity of being heard in support of such objections.

(5) After considering the written objections, if any, made under subsection (3), the Commissioner shall make a report to the Minister on the application and shall, *inter alia*, state as to whether—

- (a) such house is situated in an area which, in his opinion, will not be required for slum clearance, development or for any other public purpose ;
- (b) it is feasible to alienate such house as a separate entity ;
- (c) the applicant is in a position to make the purchase ; and
- (d) the owner of such house had a spouse or dependent child residing in Sri Lanka on the date when such application was made.

(6) After considering the report made to him under subsection (5), the Minister may, if he is satisfied having regard to all the circumstances of the case that the application should be allowed, by Order published in the *Gazette* vest such house in the Commissioner with effect from such date as may be specified therein.

(7) The provisions of subsections (2), (3), (3A) and (3B) of section 17, shall, *mutatis mutandis*, apply to the sale of any house vested in the Commissioner by an Order made under subsection (6) of this section.

14. (1) Any person may make application to the Commissioner for the sale to the Commissioner of any house, owned by such person, if—

(a) such house is let to a tenant and is within the permitted number of houses ;

(b) the standard rent per month of such house does not exceed one hundred rupees ;

(c) the ownership of such house was acquired by such person by construction or purchase before the specified date, or by gift or inheritance from a grandfather, a parent or spouse who had acquired ownership of such house before the specified date ; and

(d) such person is not entitled to institute action or proceedings under the Rent Act, No. 7 of 1972, for the ejection of the tenant of any other house on the ground that such house is reasonably required for occupation as a residence for him or for any member of his family.

Sale of certain houses to the Commissioner by owners.

[§ 8, 34 of 1974*]

In this subsection, "specified date" means the date on which the tenant, for the time being, of the house, or the tenant upon whose death the tenant for the time being succeeded to the tenancy under section 36 of the Rent Act, No. 7 of 1972, or section 18 of the Rent Restriction Act (Chapter 274), came into occupation of the house.

(2) No person may, on application made under subsection (1), be entitled to sell to the Commissioner under this Law more than one of the permitted number of houses unless the Commissioner is satisfied that any additional house for the sale of which an application is made under subsection (1) will be purchased by the tenant of such house at the price payable therefor by the Commissioner.

* The amendment made in section 14 by section 8 of Law No. 34 of 1974 shall be deemed to have come into force on January 13, 1973—See section 20 of Law No. 34 of 1974.

(3) Where an application is made under subsection (1) and the applicant is prepared to sell such house on such terms and conditions as may be determined by the Commissioner, including a condition that the proceeds of the sale of such house shall be utilized for the construction or purchase of a house, the Commissioner shall so notify to the Minister who may, by Order published in the *Gazette*, vest such house in the Commissioner with effect from such date as may be specified in the Order.

(4) Where in respect of any house, applications have been made both under section 13 and this section, the application under section 13 shall not be proceeded with and it shall be deemed that only an application under this section has been made in respect of such house.

Date of vesting
and title to
houses vested.

15. (1) Before the date specified by the Commissioner or by the Minister under this Law as the date on which any house vests in the Commissioner, the Commissioner or the Minister, as the case may be, may from time to time, alter, by Notification or Order, as the case may be, published in the *Gazette*, the date on which such house shall so vest.

(2) Where any house is vested in the Commissioner under this Law, the Commissioner shall have absolute title to such house and free from all encumbrances, and such vesting shall be final and conclusive for all purposes against all persons whomsoever, whatever right or interest they have or claim to have to, or in, such house :

Provided, however, that—

(a) the local authority of the area in which the house is situated shall have a lien on the amount payable to the owner of the house as the price of the house, for the recovery of any rates or taxes payable to the local authority by the owner in respect of the house ;

(b) where the house was at the time of vesting subject to a mortgage, the mortgagee shall have a lien on the amount referred to in paragraph (a), for the recovery of any sum due to him ; and

(c) where the house or the land appurtenant thereto was at the time of vesting subject to any servitude in favour of any other property or person, such servitude shall not be deemed to be extinguished by such vesting.

[§ 9, 34 of
1974*]

[§ 9, 34 of
1974*]

[§ 9, 34 of
1974*]

* The amendments made in section 15 by section 9 of Law No. 34 of 1974 shall be deemed to have come into force on January 13, 1973—See section 20 of Law No. 34 of 1974.

15A. Where a house, for the purchase of which an application may be or could have been made to the Commissioner under this Law by the tenant thereof or by the person who may succeed to the tenancy thereof under section 36 of the Rent Act, No. 7 or 1972, is, after the date of commencement of this Law, purchased by such tenant or person directly from the owner thereof, the title of such tenant or person to such house shall be as if such tenant or person had purchased such house from the Commissioner after it was vested in the Commissioner under this Law; and where the preceding provisions of this section apply to a house, a certificate may be issued by the Commissioner on payment of the prescribed fee, if an application for such certificate is made by such tenant or person or by any other person deriving title to such house from such tenant or person.

Title to
houses
purchased
directly from
owners.
[§ 10, 34 of
1974*]

16. (1) Where any house which is not a flat or a tenement is vested in the Commissioner under this Law, there shall also be vested in the Commissioner such extent of land and such rights as is or are in the opinion of the Commissioner reasonably appurtenant to the house.

Vesting of
appurtenant
and adjoining
lands.
[§ 11, 34 of
1974]
[§ 8, 18 of
1976†]

(2) Where any flat is vested in the Commissioner under this Law, there shall also be vested in the Commissioner the land and other rights as are appurtenant to the flat.

(3) Where any tenement is vested in the Commissioner under this Law, there shall also be vested in the Commissioner such extent of land and such rights as in the opinion of the Commissioner, is or are appurtenant to the tenement.

(4) Where any tenement or flat is vested in the Commissioner under this Law, there shall also be vested in the Commissioner such extent of land adjoining or adjacent to the tenement or flat as was, in the opinion of the Commissioner, used in common by all or some of the tenants of the tenement or flat immediately prior to the commencement of this Law; and any sale, gift, lease or other

[§ 11, 34 of
1974†]

* The new section 15A inserted by section 10 of Law No. 34 of 1974 shall be deemed to have come into force on January 13, 1973—See section 20 of Law No. 34 of 1974.

† The amendments made in section 16 by section 11 of Law No. 34 of 1974 and section 8 of Law No. 18 of 1976 shall be deemed to have come into force on January 13, 1973—See section 26 of Law No. 34 of 1974 and section 15 of Law No. 18 of 1976.

alienation of such extent of land or part thereof made on or after the date of commencement of this Law except with the written permission of the Commissioner shall be null and void.

Applications to purchase houses.

17. (1) Where an application has been made under this Law for the purchase of a house and the Commissioner is satisfied—

(a) that such house is situated in an area which in his opinion will not be required for slum clearance, development or redevelopment or for any other public purpose ;

(b) that it is feasible to alienate such house as a separate entity ; and

(c) that the applicant is in a position to make the purchase,

[§ 9, 18 of 1976*]

the Minister may, on being so notified by the Commissioner, by Order (hereinafter referred to as a "vesting Order") published in the *Gazette* vest such house in the Commissioner with effect from such date as may be specified therein.

(2) As soon as may be after a house is vested in the Commissioner under subsection (1), the Commissioner shall enter into an agreement with the applicant for the sale of such house to the applicant, subject to the following conditions :—

(a) that the applicant shall pay to the Commissioner a lump sum or on rent purchase terms or in such instalments as may be determined by the Commissioner, the amount determined under this Law as the price payable for such house to the former owner and an additional sum of five *per centum* of such amount to cover the costs incurred by the Commissioner ;

(b) that until the amount payable as the price of such house is finally determined under this Law, the applicant shall make to the Commissioner a monthly payment of an amount not less than the monthly rent payable for such house, which payment shall be set off against the amount payable as the price of such house ;

(c) that the applicant shall be responsible for the repairs to, and the maintenance of, the house and shall insure the house against loss or damage by fire, civil commotion and riot and pay all rates and taxes due to any local authority ; and

such other conditions as may be determined by the Commissioner.

* The amendments made in section 17 by section 9 of Law No. 18 of 1976 shall be deemed to have come into force on January 13, 1973—See section 15 of Law No. 18 of 1976.

(3) Where the applicant fails to comply with any of the aforesaid conditions, the agreement shall be deemed to be null and void and the applicant shall pay to the Commissioner such costs as may have been incurred by the Commissioner in respect of the application.

(3A) Where the applicant complies with the aforesaid conditions, the Commissioner shall transfer such house together with such extent of land and such rights as is or are appurtenant thereto, to the applicant by an instrument of disposition signed by the Commissioner, subject to the applicant paying the costs of the survey plan and any other document connected with such transfer. No stamp duty shall be payable in respect of the instrument of disposition.

[§ 9, 18 of 1976*]

(3B) Notwithstanding the provisions of subsection (2) the Commissioner may, where he considers it expedient to do so, transfer a house vested in him under subsection (1) to the applicant on the payment to the Commissioner by the applicant of the prescribed part of the amount determined under this Law as the price payable for such house to the former owner, subject to the condition that the applicant shall execute a mortgage of such house in favour of the Commissioner or any state lending institution specified by the Commissioner, for the payment of the unpaid part of such amount and an additional sum of five per centum of such amount.

[§ 9, 18 of 1976*]

(4) The provisions of subsections (2), (3), (3A) and (3B) shall *mutatis mutandis* apply in the case of the sale of a house to a tenant who accepts the offer made under section 12 and in the case where the Commissioner proposes to sell any house vested in him under this Law to any other person.

[§ 9, 18 of 1976*]

17A. (1) Notwithstanding that any house is vested in the Commissioner under this Law, the Commissioner may, with the prior approval in writing of the Minister, by Order published in the *Gazette*, divest himself of the ownership of such house, and on publication in the *Gazette* of such Order, such house shall be deemed never to have vested in the Commissioner.

Divesting the ownership of houses vested in the Commissioner. [§ 12, 34 of 1974]

* The amendments made in section 17 by section 9 of Law No. 18 of 1976 shall be deemed to have come into force on January 13, 1973—See section 20 of Law No. 18 of 1976.

(2) Where any house has vested in the Commissioner under section 11 and the person who was the owner thereof immediately prior to such vesting makes application to the Commissioner requesting that he be allowed a further period of time to dispose of such house, the Commissioner may, if satisfied that adequate grounds exist for granting such request and with the approval in writing of the Minister, by Order published in the *Gazette*, divest himself of the ownership of such house, and on publication of such Order in the *Gazette*, such house shall be deemed never to have vested in the Commissioner. Where such person fails to dispose of such house within a period of twelve months from the date on which the Order divesting the Commissioner of the ownership of such house was published in the *Gazette*, the Commissioner may by Order published in the *Gazette*, vest such house in the Commissioner with effect from such date as may be specified therein.

Register of vested houses.

[§ 12, 34 of 1974]

17B. The Commissioner shall maintain a register of houses vested in him under this Law and such register shall be open to the public for inspection on payment of the prescribed fee.

Restriction on transfer of houses purchased from the Commissioner.

[§ 12, 34 of 1974]

17C. No house purchased from the Commissioner under this Law may, for a period of five years from the date of such purchase, be sold, gifted or leased to any person other than a child or spouse of the purchaser thereof, except with the prior permission in writing of the Commissioner granted in case of extreme hardship; and where any such house is sold, gifted or leased to any such child or spouse, such child or spouse shall not sell, gift or lease such house to any person until after the lapse of a period of five years from the date of purchase from the Commissioner by the original purchaser:

Provided however that the preceding provisions of this section shall not apply to the sale of any house purchased by any person with moneys partly or wholly provided by a prescribed State institution on a mortgage of such house created in favour of such institution, where such sale is consequent on any default in the payment of the moneys due on such mortgage.

Certain sections of the National Housing Act to apply to mortgages of houses purchased from the Commissioner.
[§12, 34 of 1974]

17D. Where a loan is granted by the Commissioner to the purchaser of a house vested in the Commissioner under this Law, on a mortgage of such house, the provisions of sections 73 to 89 of the National Housing Act (Chapter 401) shall apply, *mutatis mutandis*, where default is made in the payment of any sum due on such loan, whether that sum is due on account of principal or interest or both.

17E. Where the Commissioner provides or maintains any amenities or services to or in respect of any house vested in him under this Law between the date of vesting and the date on which such house is sold or transferred to the tenant thereof or to any other person, the Commissioner may recover the cost of providing or maintaining such amenities or services from the persons who were the tenants or occupants of such house during the period when such amenities or services were provided or maintained by the Commissioner.

Commissioner to recover cost of maintaining services.

[§ 12, 34 of 1974]

17F. (1) Where a house is vested in the Commissioner under this Law, the person who was the owner of such house immediately prior to such vesting (hereinafter referred to as the "former owner") shall not discontinue any amenities or services provided by him to such house prior to such vesting except after giving fourteen days' notice in writing to the Commissioner.

Discontinuance of amenities provided to vested houses.

[§ 12, 34 of 1974]

(2) Where any such amenities or services are discontinued by the former owner without giving at least fourteen days' notice, the cost that may be incurred by the Commissioner in the restoration or replacement of such amenities or services shall be deducted from the price payable for such house to such owner under section 23.

(3) Where any such amenities or services are discontinued by any person other than the former owner or any local authority, Government Department or public corporation, such person shall be guilty of an offence under this Law.

18. (1) Where for the purposes of development, redevelopment or otherwise, the Commissioner considers that it is necessary to take possession of any house vested in him, any person specially or generally authorized in that behalf by the Commissioner may take possession of such house.

Taking possession of a house vested in the Commissioner.

[§ 3, 9 of 1977]

(2) No person shall, under subsection (1), take possession of any occupied building or any part of an occupied building without giving the occupier of the building at least seven days' notice of the intention to do so.

(3) The Commissioner shall prepare or cause to be prepared a report as to the condition and state of repair of every house vested in the Commissioner.

Prevention of
or obstruction
to taking
possession of
house for and
on behalf
of the
Commissioner.

19. (1) Every person who—

(a) prevents, obstructs or resists ; or

(b) directly or indirectly causes anyone to prevent, obstruct or resist,

any person from or in taking possession under section 18 of any house for and on behalf of the Commissioner shall be guilty of an offence under this Law.

(2) Where a person authorized by the Commissioner under section 18 to take possession of any house for and on behalf of the Commissioner is unable or apprehends that he will be unable to take possession of such house because of any obstruction or resistance that has been or is likely to be offered, on his making an application in that behalf to the Magistrate's Court having jurisdiction over the place where the house is situated, the Magistrate shall issue an order of the Court directing the Fiscal to deliver possession of that house to him for and on behalf of the Commissioner.

(3) Where an order under subsection (2) is issued to the Fiscal by a Magistrate's Court, he shall forthwith execute that order and shall in writing report to the court the manner in which that order was executed.

(4) Where an order under subsection (2) is issued to the Fiscal by a Magistrate's Court, the execution of such order shall not be stayed in any manner by reason of any steps taken or proposed to be commenced in any court with a view to questioning, varying or setting aside such order.

(5) For the purpose of executing an order issued by a Magistrate's Court under subsection (2), the Fiscal or any person acting under his direction may use such force as may be necessary to enter the house to which that order relates and to eject any person in occupation thereof and to deliver possession of the house to the person who is authorized under section 18 to take possession thereof for and on behalf of the Commissioner.

20.* Where any house is vested in the Commissioner, the Commissioner shall, by notice published in the *Gazette* and in such other manner as may be determined by him, direct every person who was interested in such house immediately before the date on which such house was so vested, to make, within a period of one month reckoned from the date specified in the notice, a written claim^f to the whole or any part of the price payable under this Law in respect of such house, and to specify in the claim—

Notice to persons entitled to make claims to the price payable in respect of any vested house.

- (a) his name and address,
- (b) the nature of his interest in such house,
- (c) the particulars of his claim, and
- (d) how much of such price is claimed by him.

21. Upon the receipt [of any claim made under section 20, the Commissioner shall forward such claim to the Secretary to the Ministry of the Minister for reference to a Board of Valuation for the determination of the price payable in respect of the house which is the subject-matter of the claim.

Provisions to be complied with by the Commissioner on receipt of claim. [§ 3, 56 of 1980]

22. (1) The Secretary to the Ministry of the Minister shall refer to a Board of Valuation for determination of the price payable in respect of every house vested in the Commissioner and shall transmit to the Board all claims made to such price together with all documents furnished by the^f claimants in support of their claims.

Reference to Board of Valuation for award as to price payable. [§ 3, 56 of 1980]

(2) A reference made under subsection (1) to a Board of Valuation is hereafter in this Law referred to as a "reference for an award as to price".

* Where, on the day immediately prior to the date of commencement of Act No. 56 of 1980—

- (a) any claim made to the Commissioner under section 20 of the principal enactment has not been referred by him to the Board of Review under section 22 of the principal enactment before its replacement by section 3 of Act No. 56 of 1980 ; or
- (b) any reference for an award as to price referred to the Board of Review under section 22 of the principal enactment before its replacement by section 3 of Act No. 56 of 1980, is pending before that Board.

such claim or reference, as the case may be, shall be forwarded by the Commissioner or the Board of Review, as the case may be, to the Secretary to the Ministry of the Minister, who shall thereupon refer such claim or reference to a Board of Valuation under section 22 of the principal enactment, as replaced by section 3 of Act No. 56 of 1980—See section 13 of Act No. 56 of 1980.

Determination
of price
payable.

[§ 3,56 of 1980]

23. The price payable for any house vested in the Commissioner under this Law shall be—

- (a) the market value of the house as at the date of vesting, such market value being determined in the case of a house let to a tenant on the basis that recovery of possession of such house is possible only in accordance with the provisions of the Rent Act, No. 7 of 1972, as were in force on the date of vesting ; or
- (b) where the ownership of the house was acquired by purchase or otherwise prior to April 1, 1975, or otherwise than by purchase on or after April 1, 1975, the market value thereof as at April 1, 1957, increased by an amount calculated at a rate of six *per centum* of such value for each year up to the date of vesting, and where the ownership of the house was acquired by purchase on or after April 1, 1957, the lowest purchase price as specified in any deed of purchase in respect of such house executed after April 1, 1957, increased by an amount calculated at a rate of six *per centum* of such purchase price for each year from the date of such deed up to the date of vesting and an additional amount equal to the reasonable value of any additions and improvements made to such house by any owner after the date of such deed, reduced by the net income for that period,

whichever amount is lower, and where the provisions of paragraph (b) are not applicable, the amount as determined under the provisions of paragraph (a) :

Provided however that—

- (i) in determining the price payable for any house vested under section 13A or section 14, the fact that the owner of such house is not entitled to institute action or proceedings for the ejection of the tenant thereof on the ground that such house is reasonably required for occupation as a residence by the landlord of such house or any member of his family shall not be taken into consideration ; and
- (ii) in the case of a land where there are tenements the price payable for any land in excess of the lands which are appurtenant to such tenements shall be on the basis that the only development possible is by the construction of similar tenements in such excess land.

24. Where any amount payable as the price of any house vested in the Commissioner to any person under this Law is not accepted by him when it is tendered to him or where such person is dead or is not in existence or is not known, it shall be paid to any District Court to be drawn by the person or persons entitled thereto.

Provision for cases where the amount is not accepted, &c.

25. Where a person is entitled to the amount payable as the price of any house vested in the Commissioner under this Law, the Commissioner shall before any payment is made to such person, under section 28, pay from such amount to the Commissioner-General of Inland Revenue any sum certified under the hand of the Commissioner-General of Inland Revenue to the Commissioner to be due from such person as tax on income or profits or as personal tax.

Deduction from the amount payable. [§ 11, 18 of 1976]

26. Any amount payable as the price of any house vested in the Commissioner under this Law, less any deductions that may be made from such amount under this Law, shall carry interest, as from the date on which it accrues due until payment at such rate as may be determined by the Minister with the concurrence of the Minister in charge of the subject of Finance.

Interest on amount payable.

Where the amount payable as interest under the preceding provisions of this section exceeds the amount which is equivalent to the rent payable for such house for the period commencing on the date on which the house was vested and ending on the date on which the payment of the price of such house was made, less any sum payable by way of rates and any expenditure by way of repairs, then, the Commissioner shall, in lieu of paying such interest, pay the last-mentioned amount.

27. The amount payable as the price of any house vested in the Commissioner under this Law shall be considered as accruing due from the date on which the house was vested.

Date of commencement of amount payable.

28. (1) The amount payable to any person as the price of any house vested in the Commissioner under this Law shall—

Manner and mode of payment.

(a) in a case where only one house of that person has been so vested—

[§ 4, 56 of 1980]

(i) be paid in cash, if such amount does not exceed fifteen thousand rupees ; or

(ii) be paid in cash in respect of the first fifteen thousand rupees, and in bonds issued by the Central Bank of Ceylon in respect of the balance sum, if such amount exceeds fifteen thousand rupees ; or

- (b) in a case where two or more houses of that person have been so vested—
- (i) be paid in cash, if the total amount does not exceed fifteen thousand rupees ; or
 - (ii) be paid in cash in respect of the first fifteen thousand rupees and in bonds issued by the Central Bank of Ceylon in respect of the balance sum, if such amount exceeds fifteen thousand rupees.

[§12, 18 of
1976]

(2) The following provisions shall apply to the bonds referred to in subsection (1) :—

- (a) such bonds shall be of twenty-five years duration and shall carry five *per centum* per annum interest ;
- (b) the principal sum represented by each such bond and the interest on such principal sum are hereby charged on, and shall be payable out of, the National Housing Fund established under the National Housing Act ;
- (c) the holder of any such bond may transfer such bond by gift *inter-vivos* or by will, to his spouse or his children and subject as herein provided, such bond shall not be transferable or negotiable ;
- (d) the holder of the bonds shall be entitled to surrender them before maturity with the approval of the Minister for any of the following purposes :—
 - (i) the construction of residential buildings ;
 - (ii) the payment of the capital levy, estate duty, wealth tax or gifts tax ;
 - (iii) where the holder is a private company within the meaning of the Companies Ordinance, for the payment of any of the taxes specified in subparagraph (ii) payable by any shareholder of such company ;
 - (iv) relief of extreme personal hardship ;
 - (v) such other prescribed purposes ;
- (e) such bonds shall be issued in such manner and subject to such other terms and conditions as may be prescribed.

28A. The provisions of the Prevention of Frauds Ordinance shall not apply to any instrument executed by or in favour of the Commissioner under this Law.

Provisions of the Prevention of Frauds Ordinance not to apply to instruments executed by or in favour of the Commissioner. [§ 13, 34 of 1974*]

29. (1) There shall be established for the purposes of this Law a Board of Review (hereinafter referred to as "the Board") consisting of not more than fifteen members appointed by the Minister of whom at least five shall be persons with judicial or legal experience and at least five shall be persons with an adequate knowledge of the valuation of land (hereinafter referred to as "valuer members").

Constitution of the Board of Review. [§ 14, 34 of 1974†] [§ 5, 56 of 1980]

(2) A person shall be disqualified for being appointed or being a member of the Board if he is a Member of Parliament.

(3) A member of the Board with judicial or legal experience shall be appointed to be the Chairman, and another member with similar experience shall be appointed to be the Vice-Chairman, of the Board by the Minister.

(4) Every member of the Board shall, unless he earlier vacates office or is removed therefrom by the Minister, hold office for a period of three years. Any member of the Board who vacates office by effluxion of time shall be eligible for reappointment.

(5) There shall be appointed a Secretary to the Board (hereinafter referred to as the "Secretary") and such other officers and servants as may be necessary for the performance of the work of the Board.

(6) The members of the Board shall be remunerated at such rates as may be determined by the Minister with the concurrence of the Minister in charge of the subject of Finance.

* The new section 28A inserted by section 13 of Law No. 34 of 1974 shall be deemed to have come into force on January 13, 1973—See section 20 of Law No. 34 of 1974.

† The amendment made in section 29 by section 14 of Law No. 34 of 1974 shall be deemed to have come into force on January 13, 1973—See section 20 of Law No. 34 of 1974.

Law No. 1 of 1973] *CEILING ON HOUSING PROPERTY*

Meetings of the Board

[§ 15, 34 of 1974*]

30. (1) The Secretary shall, under the direction of the Chairman, or in his absence the Vice-Chairman, of the Board, convene ordinary meetings of the Board for the consideration and determination of references made to the Board.

[§ 15, 34 of 1974*]

(2) The Chairman or the Vice-Chairman or a member with judicial or legal experience and two other members of the Board one of whom shall be a valuer member shall be summoned to an ordinary meeting of the Board. The members to be summoned other than the Chairman and the Vice-Chairman shall be chosen by lot by the Secretary. The quorum for an ordinary meeting of the Board shall be two members.

[§ 15, 34 of 1974*]

(3) Separate meetings of the Board may be convened and held at the same time to consider and determine different references.

[§ 15, 34 of 1974*]

(4) Where the Chairman or the Vice-Chairman is summoned to an ordinary meeting of the Board, the Chairman or Vice-Chairman, as the case may be, shall preside at that meeting. Where the Chairman or Vice-Chairman is not summoned, the member with judicial or legal experience shall, if he is the only member with such experience summoned to that meeting, preside at that meeting. Where more than one member with such experience is summoned to that meeting the members of the Board summoned to and present at that meeting shall choose one of the members with such experience as the Chairman of that meeting.

[§ 15, 34 of 1974*]

(4A) The Secretary shall under the direction of the Chairman of the Board convene extraordinary meetings of the Board. The Chairman of the Board and four other members of the Board nominated by the Chairman of the Board shall be summoned to an extraordinary meeting of the Board. No extraordinary meeting of the Board shall be held unless the Chairman of the Board and the four other members summoned are present at the meeting. The Chairman of the Board shall preside at every extraordinary meeting of the Board.

(5) A member of the Board who is interested in any matter which is the subject of a reference or who has been consulted as an attorney-at-law or in any other capacity in regard to that matter by or on behalf of any person interested therein shall not participate in any proceedings of a meeting of the Board on such reference.

* The amendments made in section 30 by section 15 of Law No. 34 of 1974 shall be deemed to have come into force on January 13, 1973—See section 20 of Law No. 34 of 1974.

(6) A meeting of the Board may from time to time be postponed or adjourned.

31. (1) Every reference shall be considered and determined at a meeting of the Board.

Proceedings
before the
Board.

(2) The Secretary shall fix a date, time and place for the consideration and determination by the Board of each reference.

(3) The Secretary shall, in respect of every reference, keep a record of all such proceedings before the Board as relate to the reference.

(4) Where pending consideration by the Board of any reference all the members of such Board resign or are removed from office and a new Board appointed, the new Board shall have power to act on evidence relating to such reference recorded at the meeting of its predecessor and partly recorded at a meeting held by it.

[§ 6, 56 of
1980]

32. (1) The Chairman or the Vice-Chairman of the Board and, if the Chairman or the Vice-Chairman is not presiding at any meeting of the Board, the Chairman of that meeting shall, for the purposes of the consideration and determination of any reference, have all the powers of a District Court—

Power to
summon
witnesses, &c.

- (a) to summon and compel the attendance of witnesses ;
- (b) to compel the production of documents ; and
- (c) to administer any oath or affirmation to witnesses.

(2) Every person who attends a meeting of the Board as a witness shall be paid as travelling and other expenses such sum as shall be determined by the Chairman or in his absence the Vice-Chairman of the Board.

33. Every person giving evidence on any matter before a meeting of the Board shall be bound to state the truth on such matter.

Persons giving
evidence
bound to state
the truth.

34. (1) The determination made at a meeting of the Board on any matter considered at that meeting shall be deemed to be the determination of the Board on that matter.

Determination
of the Board.

(2) Where the members of the Board who consider any matter disagree with regard to the determination on that matter, the determination of the majority of them shall be the determination of the Board on that matter, and, where the members are equally divided in their opinion, the determination supported by the Chairman of the meeting by which that matter is considered shall be the determination of the Board on that matter.

(3) Every determination of the Board shall contain the reasons therefor.

Board may regulate its procedure at meetings.

35. Subject to the provisions of this Law in respect of procedure, the Board may lay down the procedure to be observed at meetings of the Board.

Commissioner, tenants and claimants to be given opportunity of being heard.
[§ 7, 56 of 1980]

36. Where a reference for an award as to price is made to a Board of Valuation, the Board of Valuation shall, before making such award, give the Commissioner, any tenant who has applied for the purchase of the house in respect of which such reference was made and every person who has made a claim to the whole or part of the amount payable as the price of the house an opportunity of being heard in person or by an agent authorized in that behalf.

Provisions in regard to evidence.
[§ 8, 56 of 1980]

37. Where there is a copy of any report made by or under the authority of the Commissioner in regard to the condition of any house vested in the Commissioner, then that report shall, in any proceedings before a Board of Valuation relating to the determination of the price of such house, be *prima facie* evidence of the facts stated therein until the contrary is proved.

Award by a Board of Valuation on reference.
[§ 9, 56 of 1980]

38. (1) Where a reference for an award as to the price is made to a Board of Valuation in respect of any house vested in the Commissioner, the Board of Valuation shall, after considering all such matters and hearing all such witnesses as may be necessary for the purpose, make an award determining—

- (a) whether or not each person who has made a claim is a person entitled to it, and if so, the capacity in which he is so entitled ;
- (b) the amount payable as the price in respect of such house in accordance with the provisions of this Law ; and
- (c) the apportionment of such amount among the persons entitled to it ;

[§ 9, 56 of 1980]

Provided that, where there is a dispute as to the persons entitled to such amount or as to the apportionment of such amount among the persons entitled to such amount, the Board of Valuation shall defer making an award and shall refer the dispute for decision to the District Court within whose local jurisdiction such house is situate, and shall, after such Court makes its decision on such dispute, make an award in accordance with such decision.

(2) Where no person makes a claim to such amount in respect of any house vested in the Commissioner, it shall not be necessary to determine in the award under this section the matters specified in paragraphs (a) and (c) of subsection (1) and to comply with the provisions of subsection (3) relating to the giving of notice of the award to claimants to such amount.

(3) A Board of Valuation shall cause written notice of its award to be given to the Commissioner and the claimants to such amount. [§ 9, 56 of 1980]

(4) An award of a Board of Valuation shall be final and shall not be called in question in any court. [§ 9, 56 of 1980]

39. (1) Any person aggrieved by any decision or determination made by the Commissioner under this Law may, within one month of the date on which such determination is communicated to such person, appeal against such decision or determination to the Board, stating the grounds of such appeal. Appeals against decisions of Commissioner.

(2) The provisions of sections 30 to 36 shall, *mutatis mutandis*, apply to the hearing and determination of any appeal made under subsection (1).

(3) The determination of the Board on any appeal made under subsection (1) shall be final and shall not be called in question in any court.

39A. (1) The Minister may from time to time appoint a panel consisting of fifteen or more members of whom not less than one-third shall be persons with an adequate knowledge of the valuation of land. Constitution of Boards of Valuation. [§ 10, 56 of 1980]

(2) For the purpose of constituting a Board of Valuation to determine a reference for an award as to price made under section 22, the Secretary to the Ministry of the Minister shall select from the panel three members to constitute a Board of Valuation.

(3) A person shall be disqualified for being appointed or being a member of the panel if he is a Member of Parliament.

(4) Every member of the panel shall—

(a) subject to the provisions of subsections (6) and (11), hold office for such period not exceeding three years as the Minister may determine at the time of appointment ; and

(b) be eligible for reappointment.

(5) Any member of the panel may without any reason being assigned therefor, be removed from office by the Minister.

(6) Any member of the panel who is not a public officer may resign from the panel, by letter in that behalf addressed to the Minister.

(7) Where the office of a member of the panel becomes vacant or such member becomes, by reason of illness or other infirmity, or absence from Sri Lanka, temporarily unable to perform the duties of his office, the Minister may appoint another person in place of such member.

(8) The members of the panel shall be remunerated in such manner and at such rates and shall be subject to such conditions of service as may be determined by the Minister with the concurrence of the Minister in charge of the subject of Finance.

(9) Subject to the provisions of this Act, each Board of Valuation may regulate its own procedure at its meetings and in the transaction of business thereat.

(10) The validity of any proceedings of a Board of Valuation shall not be affected by any vacancy among the members or by any defect in the appointment of any member.

(11) Where on the expiration of the term of office of any member of the panel, who has been appointed by the Secretary to the Ministry of the Minister to any Board of Valuation before which there is any reference pending on the day immediately preceding the date of expiration of the term of office of such member, the Minister may extend the term of office of such member, for such period or periods until such reference is determined by such Board.

PART II

REGULATION OF CONSTRUCTION OF HOUSES

40. (1) No person shall construct a house which exceeds three thousand square feet in floor area inclusive of the thickness of the external walls :

Provided, however, that a person may, with the prior permission in writing of the relevant authority, construct communal living quarters such as hostels and barracks which exceed the aforesaid floor area.

Restriction
of floor
area of
houses.

[§ 11, 56 of
1980]

(2) No person shall make any extension to a house, if the floor area of such extension together with the floor area of the house would exceed two thousand square feet inclusive of the thickness of the external walls : [§ 16, 34 of 1974]

Provided that the preceding provisions of this subsection shall not apply to any extension commenced before the coming into operation of this subsection.

- 41. Repealed [§ 12, 56 of 1980]
- 42. Repealed [§ 12, 56 of 1980]
- 43. Repealed [§ 12, 56 of 1980]

PART III

GENERAL

44. (1) The Minister may make regulations for the purpose of carrying out the provisions and giving effect to the principles of this Law. Regulations.

(2) Without prejudice to the generality of the powers conferred by subsection (1), the Minister may make regulations for or in respect of all matters stated or required by this Law to be prescribed or in respect of which regulations are authorized or required to be made.

(3) Every regulation made by the Minister shall be published in the *Gazette* and shall come into operation on the date of such publication or upon such later date as may be specified in the regulation.

(4) Every regulation made by the Minister shall, as soon as convenient after its publication in the *Gazette*, be brought before Parliament for approval. Every regulation which is not so approved shall be deemed to be rescinded as from the date of such disapproval, but without prejudice to anything previously done thereunder. Every regulation so approved shall be as valid and effectual as though it were herein enacted.

Offences.

45. (1) Every person who contravenes or fails to comply with any provisions of this Law or of any regulations made thereunder shall be guilty of an offence under this Law.

[§ 13, 18 of 1976]

(2) Every person who is guilty of an offence under this Law other than an offence under section 8(3A) or section 42 shall, on conviction after summary trial before a Magistrate, be liable to imprisonment of either description for a period not exceeding six months or to a fine not exceeding one thousand rupees or to both such imprisonment and fine.

(3) Where a person committing an offence under this Law is a company or other body corporate, or an association of persons (whether incorporated or not) or a firm, every director, manager, secretary, agent or other officer or person concerned with the management thereof, and every partner of the firm shall, unless he proves that the offence was committed without his knowledge or consent, be deemed to be guilty of such offence.

Who may act for minors and persons of unsound mind.

[§ 14, 18 of 1976]

45A. Any act or thing required or authorized by or under this Law to be done by any person shall, if such person is a minor or a person of unsound mind, be deemed to be required or authorized to be done by the trustee, as the case may be, of such minor or of such person of unsound mind.

In this section, the expression "trustee" includes any trustee, guardian, curator, manager, agent or other person having the direction, control, or management of any property on behalf of any person but does not include an executor.

This Law to prevail over other written law.

46. The provisions of this Law shall have effect notwithstanding anything contained in any other written law, and accordingly in the event of any conflict or inconsistency between the provisions of this Law and such other law, the provisions of this Law shall prevail over such other law.

- 46A. Where a house is held in trust, the beneficiary shall, for the purposes of this Law, be deemed to be the owner of such house. Beneficiary deemed owner of a house held in trust. [§ 18, 34 of 1974]
47. In this Law, unless the context otherwise requires—
- “body of persons” includes a corporation sole ; [§ 19, 34 of 1974*]
- “Commissioner” means the Commissioner for National Housing and includes a Deputy Commissioner or an Assistant Commissioner ; [§ 19, 34 of 1974*]
- “dependent child” in relation to an individual means a child under eighteen years of age other than—
- (a) a married child, and
 - (b) a child not maintained by the parents, and having independent means of livelihood,
- and includes—
- (i) a step-child of that individual or his spouse,
 - (ii) a child of that individual born of a marriage by habit and repute or according to custom,
 - (iii) a child authorized by any adoption order made under the Adoption of Children Ordinance to be adopted by that individual,
 - (iv) where that individual is not a citizen of Sri Lanka and he satisfies the Commissioner that he has a child whom he has adopted in accordance with the law of the country of which he is a subject or citizen, such child, and
 - (v) where such child or step-child is not under the age of eighteen years, if that child either lived with him and was maintained by him, or was maintained by him in any sanatorium, asylum or educational establishment,
- but does not include any adopted child other than an adopted child referred to in paragraph (iii) or paragraph (iv) ;

* The amendments made in section 47 by section 19 of Law No. 34 of 1974 shall be deemed to have come into force on January 13, 1973.—See section 20 Law No. 34 of 1974.

“ flat ” means a self-contained domestic suite of rooms in a building of more than one storey ;

“ house ” means an independent living unit, whether assessed or not for the purpose of levying rates, constructed mainly or solely for residential purposes, and having a separate access, and through which unit access cannot be had to any living accommodation, and includes a flat or tenement, but shall not include—

- (1) sub-divisions of, or extensions to, a house which was first occupied as a single unit of residence ; and
- (2) a house used mainly or solely for a purpose other than a residential purpose for an uninterrupted period of ten years prior to March 1, 1972 ;

“ local authority ” means a Municipal Council, Urban Council, Town Council or Village Council ;

“ municipal area ” means an area within the administrative limits of a Municipal Council ;

“ person ” includes a body of persons corporate or unincorporate

“ prescribed ” means prescribed by regulation made under this Law ;

“ public company ” means—

- (a) a company registered as a public company under the Companies Ordinance ; or
- (b) a company to which Part XI of the Companies Ordinance applies ;

“ public corporation ” means any corporation, board or other body which was or is established by or under any written law, other than the Companies Ordinance, with capital wholly or partly provided by the Government by way or grant, loan or other form ;

“ relevant authority ” means, where a house is situated or is to be constructed—

- (a) within the limits of a Municipal Council, Urban Council or Town Council, the Mayor of the Municipal Council or the Chairman of the Urban Council or Town Council, as the case may be ;
- (b) within the administrative limits of any Village Council, the Assistant Commissioner of Local Government for the administrative region within which such limits are situated or if the Minister in charge of the

subject of Local Government by Order published in the *Gazette* so directs, the Chairman of the Village Council ;

(c) in any place outside any of the limits aforesaid, the Assistant Commissioner of Local Government for the administrative region within which such place is situated ;

“tenement” means a building consisting of two or more separately let dwelling houses bearing separate assessment numbers, each house having any of the following in common, namely, latrines, bathing places, kitchens or verandahs ; and

“urban area” means an area within the administrative limits of an Urban Council.

SCHEDULE

PARTICULARS

1. Full name and address of the owner :
2. Name and address of declarant if he is not the owner :
3. Situation of the houses. Give name of land, assessment number, name of street, ward and town/village :
4. State whether owned in full :
If owned in shares give the owner's share in the house :
5. Particulars of ownership—
(a) by purchase—
Give deed number, name of notary, date of attestation, the extent of land and the consideration mentioned in the deed :
(b) if other than by purchase, state how ownership is derived i.e. gift, inheritance and give details as in (a) :
6. Extent of appurtenant land (attach copy of survey plan or dimensioned diagrammatic sketch) :
7. (a) State whether the house was constructed by the owner :
(b) State whether alterations or improvements were made after purchase and give details :
8. Give details of all encumbrances such as mortgage, lease, etc :
9. Name and address of the tenant :
10. Give the date of commencement of the tenancy of the present tenant :
11. State the standard rent and authorized rent of the house :
12. State the rent charged :
13. State whether the ownership of the house is proposed to be retained under this Law :

subject of local Government by Order published in the Gazette so direct, the Chairman of the Village Council :

(c) in any case on the day of the local Government, the Assistant Commissioner of local Government for the administrative region within which such place is situated :

and where a building consisting of two or more apartments is being let as a whole or in part, the number of such apartments as of the 1st day of the month in which such building is situated :

where such person is not within the administrative limits of the Village Council.

SEVENTH

PROVISIONS

1. The following shall be the provisions of this Act—
2. The provisions of this Act shall apply to the whole of the State of Madhya Pradesh, and to the territories specified in sub-section (1) of section 3 of the States Reorganisation Act, 1956, in so far as they relate to the territories so specified.
3. The provisions of this Act shall apply to the territories specified in sub-section (1) of section 3 of the States Reorganisation Act, 1956, in so far as they relate to the territories so specified, as if they were included in the State of Madhya Pradesh.
4. The provisions of this Act shall apply to the territories specified in sub-section (1) of section 3 of the States Reorganisation Act, 1956, in so far as they relate to the territories so specified, as if they were included in the State of Madhya Pradesh, and as if the provisions of this Act were contained in the States Reorganisation Act, 1956.
5. The provisions of this Act shall apply to the territories specified in sub-section (1) of section 3 of the States Reorganisation Act, 1956, in so far as they relate to the territories so specified, as if they were included in the State of Madhya Pradesh, and as if the provisions of this Act were contained in the States Reorganisation Act, 1956, and as if the provisions of this Act were contained in the States Reorganisation Act, 1956.
6. The provisions of this Act shall apply to the territories specified in sub-section (1) of section 3 of the States Reorganisation Act, 1956, in so far as they relate to the territories so specified, as if they were included in the State of Madhya Pradesh, and as if the provisions of this Act were contained in the States Reorganisation Act, 1956, and as if the provisions of this Act were contained in the States Reorganisation Act, 1956.
7. The provisions of this Act shall apply to the territories specified in sub-section (1) of section 3 of the States Reorganisation Act, 1956, in so far as they relate to the territories so specified, as if they were included in the State of Madhya Pradesh, and as if the provisions of this Act were contained in the States Reorganisation Act, 1956, and as if the provisions of this Act were contained in the States Reorganisation Act, 1956.
8. The provisions of this Act shall apply to the territories specified in sub-section (1) of section 3 of the States Reorganisation Act, 1956, in so far as they relate to the territories so specified, as if they were included in the State of Madhya Pradesh, and as if the provisions of this Act were contained in the States Reorganisation Act, 1956, and as if the provisions of this Act were contained in the States Reorganisation Act, 1956.
9. The provisions of this Act shall apply to the territories specified in sub-section (1) of section 3 of the States Reorganisation Act, 1956, in so far as they relate to the territories so specified, as if they were included in the State of Madhya Pradesh, and as if the provisions of this Act were contained in the States Reorganisation Act, 1956, and as if the provisions of this Act were contained in the States Reorganisation Act, 1956.
10. The provisions of this Act shall apply to the territories specified in sub-section (1) of section 3 of the States Reorganisation Act, 1956, in so far as they relate to the territories so specified, as if they were included in the State of Madhya Pradesh, and as if the provisions of this Act were contained in the States Reorganisation Act, 1956, and as if the provisions of this Act were contained in the States Reorganisation Act, 1956.