



RAJEEV CHANDRASEKHAR
MEMBER OF PARLIAMENT
RAJYA SABHA

Member of Standing Committee on Defence
Member of Consultative Committee on Finance
Member of Central Advisory Committee for the National Cadet Corps
Co-Chairman, District Development Coordination & Monitoring Committee, Bengaluru Urban District

July 04, 2017

Dear *Siddaramaiah - aware,*

Sub: Enforcement of the Real Estate (Regulation and Development) Act, 2016 ("RERA") in Karnataka.

Ref: My letter dated July 1, 2016, titled "*Regarding the appointment of an Officer as a Regulatory Authority by the State Government of Karnataka for the interim period under the Real Estate (Regulation and Development) Act, 2016*".

I write to you to regarding the inordinate delay by your government in notifying the Karnataka State Real Estate (Regulation and Development) Rules and the failure to constitute: (i) the Real Estate Regulatory Authority; and (ii) the Real Estate Appellate Tribunal. The Executive ought to have completed these activities by May 1, 2017.

You will no doubt be aware that RERA was enacted by the Parliament and received the assent of the His Excellency, the President of India on March 25, 2016. Most of the provisions of RERA, including Section 20, were brought into force on May 01, 2016. Among others, Section 20 of RERA required the State Government to designate any officer (preferably the Secretary, Department of Housing) as an interim regulatory authority until the constitution of permanent regulatory and appellate authorities. In this regard, I had as early as July 2016, addressed the letter above referenced, requesting you to appoint the Principal Secretary to the Department of Housing, Government of Karnataka, as the interim regulatory authority. Unfortunately, no action was initiated by your government, either regarding the interim authorities or as regards the permanent authorities.

As per Sections 20 and 43 of RERA, the Real Estate Regulatory Authority and the Real Estate Appellate Tribunal are to be established and incorporated by the State Government within a period of one year from the date on which RERA came into force i.e., within a period of one year from May 1, 2016. To this effect, the State Government is also



required to formulate rules. It is unfortunate that your government has failed to notify the Rules, thereby, depriving the benefits of RERA to the residents of Karnataka; and also thereby indefinitely delaying the commencement of the process of appointment of the Real Estate Regulatory Authority and the Real Estate Appellate Tribunal.

I urge you to comply with the statutory mandates of RERA and ensure that the Rules are notified after taking into consideration the suggestions and objections proffered by the civil society. Further, in the interregnum, until the permanent Real Estate Regulatory Authority and the Real Estate Appellate Tribunal are constituted, I urge you to forthwith appoint an interim regulatory authority to implement the statutory mandates of RERA. I also urge you to notify, as an interim measure, an existing tribunal in the State of Karnataka, as the interim Appellate Tribunal under RERA.

There is no gainsaying the fact that RERA was enacted to curb malpractices in the real estate sector and to protect the interests of consumers. The real estate sector is in immediate need of regulation to ensure the welfare of the consumers at large. In such circumstances, the inaction on the part of your government is inexplicable as well as inexcusable. It is a failure of the government's promise of upholding the rule of law. In this regard, I draw your attention to Article 256 of the Constitution of India, which casts an obligation on the Executive of every State to ensure compliance with laws made by the Parliament.

I draw your attention to the fact that many state governments have demonstrated alacrity in complying with RERA's statutory mandates. Eighteen States have notified rules; nine States have appointed interim regulatory authorities; and three States have notified and constituted regulatory authorities. Many have also established online portals as required under RERA. I see no reason why the people of Karnataka should continue to bear the brunt of practices prohibited under RERA and be rendered remediless due to the inaction of your government.

I therefore urge you to act in accordance with your constitutional obligations and initiate action for: (i) the notification of the Rules; (ii) immediate appointment of the Principal Secretary, Housing Department as the interim regulatory authority; and (iii) immediate notification of an existing Tribunal in the State of Karnataka as the interim Appellate



Tribunal under RERA. I further urge you to immediately commence the process of establishing a permanent Real Estate

Regulatory Authority and a permanent Real Estate Appellate Tribunal in the State of Karnataka, thereby effectively enforce RERA in the State of Karnataka.

Sincerely,


RAJEEV CHANDRASEKHAR

Shri Siddaramaiah
Hon'ble Chief Minister
Government of Karnataka
Vidhana Soudha, Bengaluru

Copy to:

Shri M Krishnappa, Hon'ble Housing Minister, Room Number 257 A, 2nd Floor, Vidhana Soudha, Bengaluru



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Member of Central Advisory Committee for the National Cadet Corps
Co-Chairman, Vigilance & Monitoring Committee, Bangalore Urban District
Vice Chairman, National Military Memorial Management Trust, Bangalore

1st July, 2016

Dear Shri Siddaramaiah avare,

Sub: Regarding appointment of an Officer as a Regulatory Authority by the State Government of Karnataka for the interim period under the Real Estate (Regulation and Development) Act, 2016.

Ref: Real Estate (Regulation and Development) Act, 2016.

As you are aware the Real Estate (Regulation and Development) Act, 2016 has been enacted by the Parliament and the same has received the assent of the Hon'ble President of India on 25th March 2016. Further, the Central Government has vide Notification dated 26th April, 2016 has appointed the 1st day of May 2016 as the date on which most of the provisions of the Real Estate (Regulation and Development) Act, 2016 have brought into force, including Section 20 of the Real Estate (Regulation and Development) Act, 2016 (in short referred to as "**Act**").

The Act has been enacted to establish the Real Estate Regulatory Authority for regulation and promotion of the real estate sector and to protect the interest of the consumers in the real estate sector amongst other objectives.

It is pertinent to note that, in terms of Section 20 of the Act, the State Government of Karnataka is required to establish an Authority to be known as the "Real Estate Regulatory Authority" within a period of one year from 1st May, 2016, to exercise the powers conferred on it and to perform the functions assigned to it under the Act. The third Proviso to the said Section 20 provides as follows:

"until the establishment of a Regulatory Authority under this section, the appropriate Government shall, by order, designate any Regulatory Authority or any officer preferably the Secretary of the department dealing with Housing, as the Regulatory Authority for the purposes under this Act".



The Act *inter-alia* aims to bring about much needed reform in the real estate sector i.e., to protect the interest of consumers in the real estate sector and to promote sale of plot, apartment or building in an efficient and transparent manner. In order to implement the same, it is necessary to designate any officer preferably the Secretary of the department dealing with Housing, as the Regulatory Authority for the purposes of the Act. Without such appointment, the provisions of the Act cannot be effectively implemented and enforced in the State of Karnataka. For the betterment of our citizens and in the interest of the consumers of the real estate sector, it is essential to designate an officer as the Regulatory Authority for the purposes of the Act.

In light of the above and Section 20 of the Act, I urge you to pass an appropriate order to appoint the Principal Secretary to the Department of Housing, Government of Karnataka, as the 'Regulatory Authority' for the purposes of the Act, as soon as possible, to ensure effective implementation of the provisions of the Act in the State of Karnataka. Any delay in such appointment would not only defeat the very essence of the Act but also render the Act toothless, and continue to have consumers suffer at the hands of law breaking real estate companies.

This letter is on behalf of lakhs of real estate consumers under this Act who will get justice in its early implementation.

Sincerely,

RAJEEV CHANDRASEKHAR

Shri Siddaramaiah

Hon'ble Chief Minister
Government of Karnataka
Vidhana Soudha, Bangalore

CC: **Shri K J George**, Hon'ble Minister for Bengaluru Development & Town
Planning, Vidhana Soudha, Bengaluru