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**PART I : SECTION (I) — GENERAL**

**Government Notifications**

L. D. B. 9/2013.

**LAND ACQUISITION ACT (CHAPTER 460)**

REGULATIONS made by the Minister of Land and Land Development under Section 63(2)(f) of the Land Acquisition Act (Chapter 460).

Minister of Land and Land Development.

Colombo,  
22nd November 2013.

**Regulations**

1. These Regulations may be cited as the Land Acquisition (Payment of Compensation) Regulations 2013.

2. (1) The basis of assessing the market value or the compensation for any injurious affection caused by the acquisition of any land for any of the projects specified in paragraph (2) (hereinafter referred to as the "Specified Projects") in respect of which a notice under Section 7 of the Act has been published, shall be in accordance with the provisions specified in regulations 3, 4, 5 and 6 of these regulations.

(2) The Specified Projects, for the purposes of these regulations shall be -

- (a) Colombo - Katunayake Expressway Project ;
- (b) Colombo Outer Circular Highway Project ;
- (c) Southern Transport Development Project ;
- (d) Colombo - Kandy Road Project ;
- (e) Orugodawatta - Ambatale Road Project ;
- (f) New Kelani Bridge Approach (Kelanimulla to Angoda, Koswatta Road) Project ;
- (g) Mattakkuliya Bridge Approach (Central Road and Aluth Mawatha) Project ;
- (h) Matara - Kataragama Railway (Constuction Project) ;
- (i) Daduru Oya Reservoir Project ;



- (j) Rathnapura - Balangoda road Project ;
- (k) Balangoda - Bandarawela Road Project ;
- (l) Padeniya - Anuradhapura Road Project ;
- (m) Thambalagamuwa - Kinniya Road Project ;
- (n) 5/2 Bridge Katugasthota - Kandy - Jaffna Road ;
- (o) Matara - Godagama Road ;
- (p) Horana - Pamankada Road ;
- (q) Southern Expressway - Madurugoda Road ; and
- (r) Kirulapana - Godagama Road.

3. (1) The market value of any land or the compensation for any injurious affection caused by the acquisition of any land for a Specified Project, shall be assessed by the Land Acquisition and Re-settlement Committees (hereinafter referred to as the "LARC") appointed for the respective Divisional Secretary's Division in which the land acquired is located.

(2) LARC shall consist of the following members appointed by the Minister -

- (a) the Divisional Secretary of Assitant Divisional Secretary of the relevant Divisional Secretary's Division ;
- (b) the Surveyor General or his nominee ;
- (c) the Chief Valuer or his nominee ; and ;
- (d) an officer not below the rank of the Assistant Secretary nominated by the Minister to whom the subject of the respective Specified Project has been assigned.

(3) Every person affected by the acquisition of relevant land shall be given an opportunity to make their representation at the proceedings of the LARC.

4. (1) The LARC shall in determining the market value and the compensation to be paid for any land referred to in these regulations, take into consideration the criterions and factors specified in paragraph (2).

(2) (a) Written Claims :-

Written claims submitted by the owner of the land or the affected persons ;

(b) Lands :-

- (i) The payment for the lands shall include replacement cost as determined by the Chief Valuer and an ex-gratia payment amounting to the difference between the statutory compensation and the replacement cost ;
- (ii) If a remaining portion of a land after acquisition (other than agricultural land) is incapable of being utilized as a separate entity, LARC may give an allowance to the owner if he wishes to retain the extra portion ;
- (iii) In case of agricultural lands if the remainder is physically not possible for cultivation, the LARC may decide whether to acquire or make a payment for the balance extent. Reasonable time shall be given to harvest perennial crops where payment will not be made on the market value ;
- (iv) all ex-gratia payment shall be determined by the LARC.

(c) Encroachers on State Lands :-

(i) No payment shall be made to the Encroachers on State Lands ;

Provided however, a payment for the improvement of the land shall be made ;

(ii) The provisions of this regulation shall apply only to the encroachers who were in occupation prior to the date of the Order under Section 2 of the Act is published ;

(d) Paddy Lands :-

An ex-gratia payment shall be made for paddy lands based on the difference between the statutory compensation and the amount equivalent to ten per cent of the market value of the land as computed by the Chief Valuer ;

(e) Buildings and Structures :-

The replacement cost for the buildings and structures (without depreciation) shall be an amount as determined by the LARC considering the following factors :-

(i) for parts of a structure : the floor area to be considered for payment up to the structural points ;

(ii) remaining portions of a structure : if the remaining portion is not suitable for further usage LARC shall pay compensation for that part as well ;

(f) Rent controlled premises under the Rent Act : Residential premises and Business premises :-

Ex-gratia Payment for the Buildings shall be the deference between the statutory compensation and the replacement cost and shall be paid according to the following mannerr :-

<i>Period of occupancy by the occupant</i>	<i>Percentage Occupant</i>	<i>Owner</i>
1. > 20 years	75%	25%
2. 10 to 20 years	50%	50%
3. 5 to 10 years	25%	75%
4. < 5 years	10%	90%

(g) Loss of Business :-

Payments shall be made according to the categorization of businesses in the following manner :-

<i>Business Category</i>	<i>Entitlement</i>
1. Informal (non-income tax payer)	Rs. 15000 or up to 3 months net income whichever is higher, if the income is ascertained through supporting documents.
2. Formal (income tax payer)	If the business is completely lost up 3 years net average adjusted profit of the years immediately preceeding the date of the publication of the notice under Section 2 of the Act on production of the tax declaration documents.  If the business is temporarily disrupted payment shall be determined by the LARC.

## (h) Loss of Livelihood :-

Those who are self-employed and are temporarily affected due to loss of income shall be entitled for a loss of livelihood payment as determined by the LARC ;

## (j) Allowance for Vulnerable Families :-

An extra payment shall be paid for families in a vulnerable situation as determined by the LARC ;

## (k) Loss of Wages of Employment :-

Persons who have lost the wages of employment due to the acquisition of their places of employment shall be entitled for a payment as may be determined by the LARC ;

## (m) Ex-gratia payment for handing over possession of properties before the deadline :-

(i) If the affected persons hand over the possession of a cultivated land or a residential building before the date specified by the Acquiring officer they shall be entitled for an ex-gratia payment determined by the LARC ;

## (ii) Temporary Accommodation :-

If the physical possession of the property is required to be taken before the date specified by the Acquiring officer a rent allowance shall be paid to the affected persons, based on the floor area of the house in which they were resident prior to the date of the Order published under Section 2 of the Act, in the following manner :-

<i>House category (on Floor Area) (Sq. Ft.)</i>	<i>Municipal Council Area (Rs.)</i>	<i>Urban Council Area (Rs.)</i>	<i>Pradeshiya Sabha Area (Rs.)</i>
1. < 500	50,000	40,000	20,000
2. 500 - 750	60,000	50,000	30,000
3. 750 - 1000	75,000	60,000	40,000
4. > 1000	100,000	75,000	50,000

## (iii) Shifting Allowance :-

If the physical possession of the property is required to be taken before the date specified by the Acquiring officer a shifting allowance shall be paid to the affected persons, based on the floor area of the house in which they were resident prior to the date of the Order published under Section 2 of the Act, in the following manner :-

<i>House category (on Floor Area) (Sq. Ft.)</i>	<i>Payment (Rs.)</i>
1. < 500	50,000
2. 500 - 750	75,000
3. 750 - 1000	100,000
4. > 1000	150,000

(n) Payment for re-location :-

- (i) Every re-settler affected by the acquisition with a title to the land acquired is entitled for a block of land not exceeding an extent of 20 perches from a fully serviced re-settlement site equivalent to the unimproved land value determined by the LARC or to cash payment applicable for self-relocation as specified in paragraph (p) ;
- (ii) Where the LARC deems that it is reasonable and justifiable, the encroachers of state lands, may be offered a block of land up to an extent of 10 perches from a re-settlement site or to cash payment applicable for self-relocation as specified in paragraph (p) ;
- (iii) Sub-families living in the same house registered under the same register of electors or separate registers of electors, at least 3 years prior to the date of the Order published under Section 2 of the Act, are entitled for a block of land up to an extent of 10 perches from a re-settlement site or to 50 per cent of the cash payment, applicable for self-relocation as specified in paragraph (p) ;

Provided however, the entitlement for lands referred to in this paragraph shall be subject to the availability of lands in a particular area :

Provided further, a cash payment applicable for self-relocation may be made to a re-settler, in addition to a block of land entitled by such re-settler under this paragraph, if the LARC deems it to be appropriate ;


(p) Self re-location :-

- (i) The persons affected by the prospective acquisition who wish to self re-locate shall be entitled for a payment specified in sub paragraph (iii) in lieu of a block of land depending on the area in which the property to be acquired is situated ;
- (ii) Sub-families registered under the same register of electors or separate registers of electors, living in the same house for a period at least 3 years, prior to the date of the Order published under Section 2 of the Act, are entitled to 50 per cent of the cash payment, applicable for self re-location as specified in sub paragraph (iii) ;

(iii) Municipality Areas	Rs. 500,000
Urban Council Areas and Pradeshiya Sabha Areas in Metropolitan and Board of Investment Areas	Rs. 300,000
Pradeshiya Sabha Areas	Rs. 150,000

(3) (a) All ex-gratia payments shall as determined by the LARC.

(b) No interest shall be paid for any ex-gratia payment.

5. (1) The owner of a land referred to in regulation 3(1) grieved by the assessment made by LARC on the market value and the compensation to be paid for such acquisition, may appeal in writing, to the Land Acquisition and Re-settlement Special Committee (hereinafter referred to as the "Super LARC").

(2) The Super LARC shall consist of the following members appointed by the Minister :-

- (a) the Secretary of the Ministry of the Minister to whom the respective subject of the Specified Project is assigned or his representative ;
- (b) the Secretary of the Ministry of the Minister to whom the subject of Land and Land Development is assigned or his representative ;
- (c) the Secretary of the Ministry of the Minister to whom the subject of Finance is assigned or his representative ;
- (d) the Chief Valuer or his representative ;

- (e) the Surveyor General or his representative ;  
(f) the Chairman or Chief Executive Officer of the respective Specified Project or a representative nominated by him.

(3) The Super LARC may after careful consideration of all the relevant factors -

- (a) affirm the assessment made by the LARC under these regulations ; or  
(b) revise the assessment made by the LARC by increasing or decreasing the amount of the assessment.  
and inform such decision to the appellant in writing forthwith.

6. For the avoidance of doubts it is hereby declared that the provisions of Land Acquisition Regulations, 2008, published in *Gazette Extraordinary* No. 1596/12 of April 7, 2009 shall not apply for the determination of the market value or the compensation for any injurious affection caused by the acquisition of any land for any of the Specified Projects.

7. For the purposes of these regulations -

"Act" means, Land Acquisition Act (Chapter 460) ;

"Acquiring Officer" has the same meaning as in the Act ;

"Disabled person" has the same meaning as in the Protection of the Rights of the Persons with Disabilities Act, No. 28 of 1996 ;

"Families in a vulnerable situation" means, women headed families, families with disabled persons and families with persons older than sixty years ;

"Minister" means, the Minister to whom the subject of Land and Land Development is assigned ;

"Paddy Land" means, the lands which are being cultivated with paddy or lands that have been prepared for cultivation of paddy or lands that have been for cultivation of paddy at least five years prior to the date of the notice published under Section 7 of the Act ;

"Register of electors" has the same meaning as in the Registration of Electors Act, No. 44 of 1980 ;

"Rent Act" means, the Rent Act, No. 7 of 1972 ;

"Replacement Cost" means, the prevailing cost involved in replacing an asset at the time of acquisition and includes fair market value, transaction costs, interest accrued, transitional and restoration costs and any other applicable payments, if any, but the depreciation of assets and structures shall not be taken into account. Where there are no active market conditions, replacement cost is equivalent to delivered cost of all building materials, labour cost for construction and any transaction or relocation costs ;

"Statutory compensation" means, the market value and the compensation determined in terms of the provisions of Section 45 of the Act.