HARYANA VIDHAN SABHA

Bill No. 23— HLA of 2024

THE HARYANA LEASE OF AGRICULTURAL LAND BILL, 2024

A

BILL

to provide a mechanism for recognition of leasing of agricultural land and to permit and facilitate lease of agricultural land, protecting the ownership rights of land-owners and for matters connected therewith and incidental thereto.

Be it enacted by the Legislature of the State of Haryana in the Seventy-fifth Year of the Republic of India as follows:-

Short title, commencement and application.

1. (1) This Act may be called the Haryana Lease of Agricultural Land Act, 2024.

(2) It shall come in force from the date of its publication in the Official Gazette.

(3) It shall apply to all agricultural land under cultivation in the State of Haryana:

Provided that the provisions of the Act shall not apply to the following land, namely:-

(i) land owned by the Central Government, State Government, a Municipal Corporation under the Haryana Municipal Corporation Act, 1994 (16 of 1994) or a Municipality body under the Haryana Municipal Act, 1973 (24 of 1973) and a Gram Panchayat or Panchayat Samiti or Zila Parishad under the Haryana Panchayati Raj Act, 1994 (11 of 1994);

(ii) land owned, managed or controlled by any statutory body, university, company, society or trust under the management and control of the Central Government or the State Government;

(iii) land recorded in the land revenue records as shamilat deh, shamilat tikkas, shamilat tarafs, pattis, pannas and tholas or any other land falling within the ambit of shamilat deh under the relevant statute;

(iv) land recorded in the land revenue records as 'Jumla Malkan Wa Digar Haqdaran Arazi Hassab Rasad Raqba' or similar nomenclature which is reserved for common purposes under the Haryana Holdings (Consolidation and Prevention of Fragmentation) Act, 1948 (East Punjab Act 50 of 1948).

(4) The lease agreement shall be registered in accordance with the provisions of the Registration Act, 1908 (Central Act No.16 of 1908) and shall come into force on such date, as may be agreed upon on or after the date, on which the lease agreement is registered.

(5) The lessor and lessee shall, on coming into force of the lease agreement, be entitled to the protections, rights and obligations under this Act.

Possession of leased land.

4. (1) The lessor shall be obliged to deliver possession of the leased land free from encumbrances except in terms of the provisions of this sub-section for purposes of cultivation, immediately on commencement of the lease agreement entered into under sub-section (4) of section 3:

Provided that where there is encumbrance in respect of the leased land prior to the commencement of the lease agreement, and the lessor accepts to discharge the liability or interest created thereon or repay any loan taken or interest thereon, then the delivery of possession to the lessee shall be made with such encumbrance standing against the lessor.

(2) The lease agreement and the period of lease thereof shall be entered in remarks column of the Record of Rights but such entry shall not create any permanent tenancy or occupancy tenancy rights or otherwise under any State law for the time being in force.

(3) The possession of the leased land shall, immediately and without any further action required on part of the lessor, revert to the land-owner on the expiry or termination of the lease.

(4) The lessor shall be entitled to receive possession of the leased land free from encumbrances immediately on expiry of the lease agreement or its premature termination and without requiring any further action on the part of the lessor:

Provided that in case of premature termination of lease agreement, the lessee shall be entitled to harvest the standing crop sown on the leased land in accordance with the agricultural crop cycle and shall be liable to pay the lease amount for such period of occupation beyond the date of termination of the lease agreement till the harvesting of the crop.

(5) In the event of death of the lessee, the legal heir or successor of the lessee shall be deemed to be the lessee and such legal heir or successor shall have the option to prematurely terminate the lease agreement or have the lease agreement in force assigned to such legal heir or successor for the remaining period of the lease.

(6) The lessee shall continue to be in possession of the leased land till the expiry of the period of lease agreement in case of sale, mortgage, redemption of mortgage, succession, gift, or alienation or transfer in any manner including partition amongst the co-owners of the leased land and further,-

(i) the lessee shall be deemed to be the lessee of the right-holder in whose favour the ownership or interest in the land is transferred; and

(ii) the lease agreement shall stand assigned in favour of such right holder, mutatis mutandis.

(7) Lease of entire khasra number in cultivating possession in the revenue records either by all the co-sharers together or single owner, as the case may be, shall be permissible.

Rights and obligations of lessee.

5. (1) The lessee shall be entitled to cultivate the leased land during the period of the lease agreement without interruption or interference from the lessor except in accordance with the terms and conditions of the lease agreement and the provisions of this Act.

(2) The lessee shall be entitled to obtain a crop loan as per the provisions of banking laws, of tenure repayable within the agricultural crop cycle during the period of lease.

(3) No encumbrance, other than a crop loan under sub-section (2), shall be created by the lessee except with the prior written consent of the lessor.

(4) The lessee shall be responsible for the repayment of any crop loan taken or interest or any other liability created over the leased land, during the period of the lease agreement except any liability or loan taken for land improvement under section 7 of this Act.

(5) The lessee shall not, during the period of lease, sublet, in any manner or in whole or in part, transfer possession of the leased land to any person except the lessor:

Provided that the engagement of labour for cultivation of land, shall not be construed as subletting or transferring of possession of the leased land.

(6) The lessee shall not use the land for a purpose other than agriculture or cultivation of crops and for matters connected with or related thereto, as per terms of lease agreement.

Rights and obligations of lessor.

6. (1) The lessor shall not interfere with the use and occupation of the leased land for purposes of agriculture except as may be provided for in this Act or in the lease agreement, during the period of lease in terms of the lease agreement.

(2) Nothing in the lease agreement shall be construed as affecting the ownership rights of the lessor or creating any right in favour of the lessee for permanent tenancy or occupancy tenancy during or after the expiry of the lease, except in so far as the enjoyment of such cultivation rights as may be contained in the lease agreement for the period of the lease.

(3) The lessor shall provide a written and duly signed receipt for payment of lease money made by the lessee, on its receipt by the lessor.

Rights and obligations in relation to improvements over leased land.

7. (1) The lessee may, with the prior consent of the lessor during the period of lease, make improvements to the land to improve agricultural productivity and sustainability including for purposes of irrigation and soil quality enhancement.

(2) For the purposes of consent of the lessor under sub-section (1), the lessee shall serve upon the lessor, a notice of not less than thirty days detailing and declaring his intent to make improvements to the land and providing a reasonable estimate of the cost of land improvement.

(3) The lessor shall have the option to make the improvements to the land at his cost or provide the funds for such improvements to the lessee or permit the lessee to make the improvements from the funds raised by the lessee and such option shall be indicated in the response provided by the lessor under sub-section (2) :

Provided that where the lessee makes the land improvement from funds raised by him, the lessee shall be entitled to deduct the cost incurred for such improvement work carried out by the lessee from the lease money payable to the lessor.

(4) Subject to the options exercisable under sub-section (3), the lessor shall, within the period of thirty days, provide or deny, in writing, his consent to make land improvement, as detailed in the notice under sub-section (2).

Right of lessee to raise crop loan for cultivation over leased land.

8. (1) The lessee shall, without creating any permanent encumbrance on the land, have the right to raise crop loan from a Bank, Co-operative Society or any other financial institution as per their relevant laws.

(2) No charge may be created over the land for the loans sanctioned under this Act.

Right to lessee for relief in case of natural calamity.

9. In case of damage to the standing crop due to natural calamity or otherwise and where compensation or relief for such damage is provided weather under a crop insurance or any other scheme of the Central or State Government, the lessee shall have the right to receive compensation or relief for such damage during the period of lease.

Dispute resolution.

10. (1) Any aggrieved person, related to the lease agreement, may file, before the Assistant Collector 1st Grade, an application detailing the disputed issues.

(2) On receipt of the application under sub-section (1), the Assistant Collector 1st Grade, shall cause a notice to be issued, either in writing or by such designated electronic means, as may be prescribed, to the other party at the address or mobile number, as the case may be specified in the lease agreement.

(3) The application shall be decided by the Assistant Collector 1st Grade within a period of forty-five days from the date of filing the application under sub-section (1).

(4) Notwithstanding anything contained in any other provision of this Act or in any other State law for the time being in force, no interim order (whether by way of injunction or stay or in any other manner) shall be made on, or in any proceedings relating to, an application under sub-section (1) unless-

(a) copies of such application and of all documents in support of the plea for such interim order are furnished to the party against whom such application is made or proposed to be made; and

(b) opportunity is given to such party to be heard in the matter:

Provided that the Assistant Collector 1st Grade may dispense with the requirements of clauses (a) and (b) and make an interim order as an exceptional measure if he is satisfied, for reasons to be recorded in writing, that it is necessary so to do for preventing any loss being caused to the applicant which cannot be adequately compensated in money but any such interim order shall, if it is not sooner vacated, cease to have effect on the expiry of a period of fourteen days from the date on which it is made.

(5) For the purposes of deciding the application, the Assistant Collector 1st Grade, shall exercise the powers of a Revenue-officer under the provisions of Haryana Land Revenue Act, 1887 (Punjab Act 17 of 1887).

Appeal.

11. (1) An appeal shall lie from an order passed by the Assistant Collector 1st Grade under sub-section (3) of section 10 to the Collector having jurisdiction.

(2) The appeal under sub-section (1) shall be filed within thirty days from the date of the order under sub-section (3) of section 10.

(3) Where in any matter, the Collector is of the opinion that the Assistant Collector 1st Grade has not disposed of the case within forty-five days without any reasonable cause, he may, on an application made to him by either party or otherwise, summon the records of the case and decide the matter.

(4) The Collector shall decide the appeal under sub-section (1) or the matter under sub-section (3) within a period of thirty days from the date of filing of appeal or application or receipt of records of the matter, where the records have been summoned suo motu by him.

(5) The order of the Collector in appeal shall be final.

(6) In the event of any damage caused by the lessee to the land during the period of lease, the lessor shall be entitled to such compensation, as may be determined by the Assistant Collector 2nd Grade in accordance with the procedures, as may be prescribed:

Provided that in case there arises a dispute about the person entitled to receive compensation, the lessee shall deposit it with the Assistant Collector 2nd Grade, having jurisdiction in such manner, as may be prescribed.

Conditions for termination of lease.

12. The lease agreement registered under sub-section (4) of section 3 of this Act may be terminated by either party to such lease agreement, on the following grounds, namely:-

(a) if the lessee fails to pay the lease amount to the lessor as per the agreed terms and at the agreed time beyond the grace period as contained in the lease agreement;

(b) if the lessee uses the land for purposes other than agriculture or cultivation of crops or for matters connected with or related thereto;

(c) if the lessee creates any encumbrance over the leased land other than that permitted under this Act or without the prior written consent of the lessor;

(d) if the lessee fails to repay any crop loan obtained by him or discharge any liability created over the leased land during the period of lease;

(e) if the lessee has sublet, in any manner, in whole or in part, or transferred possession of the leased land to any person except the lessor;

(f) the failure on the part of the lessor to make disclosure, if any, under the provisions of this Act, shall entitle the lessee to terminate the lease and claim compensation from the lessor;

(g) if the lessee, without the prior consent of the lessor, substantially impairs or damages the leased land for purposes of agriculture;

(h) if the lessee attempts to make land improvement in the leased land without the prior written consent of the lessor;

(i) if the lessor and lessee mutually agree to terminate the lease agreement;

(j) if the lessee dies during the period of lease and the legal heir or successor of the lessee exercises the option to terminate the lease agreement under the provisions of sub-section (5) of section 4 of this Act;

(k) if either the lessor or the lessee is in substantial or material breach of the terms and conditions of the lease agreement.

Procedure for termination of lease agreement.

13. (1) Either the lessor or lessee, as the case may be, for the reasons specified in section 12 of this Act, issue notice for termination, in such form and manner, as may be prescribed, to the other party:

Provided that the notice so served shall provide at least fifteen days for the other party to respond to the notice and no action shall be taken by the party serving notice during this period.

(2) In case, the party on whom the notice is served under sub-section (1) disputes the grounds contained in the notice, then such party may reply within the period of fifteen days with reasons stated therein, to the party serving notice.

(3) If the dispute remains after consideration of the reply, then the party serving notice may invoke the provisions of section 10 of this Act for settlement of the dispute.

(4) Notwithstanding the existence of the dispute between the lessor and the lessee, the lessee shall deliver possession of the leased land to the lessor on the completion of the lease period.

14. On expiry of period of the lease agreement or its termination, if the lessee does not vacate and deliver the possession of the land under the leased agreement, then on an application by the lessor, the Assistant Collector 1st Grade shall issue a show cause notice to the lessee, requiring him to deliver the possession of such land to the lessor within fifteen days failing which the Assistant Collector 1st Grade shall employ reasonable force as he deems fit to secure actual possession and reinstate possession of the lessor over such land. Reinstatement of lessor.

15. (1) The Assistant Collector 1st Grade and Collector shall have exclusive jurisdiction to decide any dispute between the lessee and lessor with reference to the leased land and in accordance with the terms and conditions of the lease agreement and the provisions of this Act. Exclusive jurisdiction of Revenue Officers.

(2) No civil court shall exercise jurisdiction over any matter in relation to or concerning the lease agreement made under the provisions of this Act.

16. No suit, prosecution or legal proceeding shall lie before any Court or Authority against any public servant for anything done or intended to be done in good faith in performance of duty in pursuance to this Act or the rules made thereunder. Protection of action taken in good faith under this Act.

17. (1) The Government may make rules for the purpose of carrying out the purposes of this Act. Power to make rules.

(2) All rules made under this Act shall be placed before the State Legislature.

18. Notwithstanding anything inconsistent therewith contained in any other State law for the time being in force or any instrument having effect by virtue of such law, the provision of this Act shall have overriding effect: Overriding effect to the Act.

Provided that any rights accrued prior, actions already taken or cases pending under any other State law in force shall be governed by the provisions of such law.

19. (1) If any difficulty arises in giving effect to the provisions of this Act, within a period of two years from the date of commencement of this Act, the Government may, by order, notified in the Official Gazette, make such provisions or give such directions as may appear to it to be necessary for the removal of such difficulty. Power to remove difficulties.

(2) A copy of the order passed under sub-section (1) shall, as soon as may notified, be laid before the State Legislature in its next ensuing session.

STATEMENT OF OBJECTS AND REASONS

A Bill to provide a mechanism and formal recognition to the leasing of agricultural land, to permit and facilitate leasing of agricultural land, to ensure equity and thereby improve agricultural efficiency- to provide recognition to farmers cultivating agricultural land on lease, which would enable them to access loans through credit institutions, insurance, disaster relief and myriad support services provided by the Government, while protecting the ownership rights of landowners- and for matters connected therewith and incidental thereto.

2. It is a established practice that agricultural land is leased out by the landowner. Due to the apprehension that the Lessee may demand occupancy rights, the Lessor often replaces the Lessee every year or keep the land barren, which damages agricultural production.

3. Due to the above mentioned fact, the Lessor hesitates to give his/her land on lease in writing and prefers to enter into non-written agreement with the Lessee. As a result of this, the Lessee is deprived of receiving any relief from the Central/ State Government during natural calamities and is unable to raise a crop loan.

4. For making optimum use of land resources and to protect the interest of both the Lessor and Lessee, a legal arrangement of giving land on lease money is felt necessary.

5. Hence this Bill.

VIPUL GOEL,
Revenue Minister, Haryana.

Chandigarh :
The 13th November, 2024.

DR. SATISH KUMAR,
Secretary.

N.B.— The above Bill was published in the Haryana Government Gazette (Extraordinary), dated the 13th November, 2024, under proviso to Rule 128 of the Rules of Procedure and Conduct of Business in the Haryana Legislative Assembly.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Section 17 of the proposed Bill empowers the State Government to make Rules for carrying out the purposes of the Act. This delegation of powers to the Executive is of a normal character. Hence, the memorandum regarding delegated Legislation as required under Rule 126 of the Rules of Procedure and Conduct of Business in the Haryana Legislative Assembly.

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