

CHAPTER 602

URBAN DEVELOPMENT AUTHORITY

Law
No. 41 of 1978,
Act
No. 70 of 1979.

A LAW TO PROVIDE FOR THE ESTABLISHMENT OF AN URBAN DEVELOPMENT AUTHORITY TO PROMOTE INTEGRATED PLANNING AND IMPLEMENTATION OF ECONOMIC, SOCIAL AND PHYSICAL DEVELOPMENT OF CERTAIN AREAS AS MAY BE DECLARED BY THE MINISTER TO BE URBAN DEVELOPMENT AREAS AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

[Deemed to have come into operation on 6th September, 1978.]
[1st October, 1978.]*

Short title.

1. This Law may be cited as the Urban Development Authority Law.

(2) An Order under subsection (1) declaring an area as a development area shall define that area by setting out the metes and bounds of such area.

PART I

ESTABLISHMENT AND CONSTITUTION OF THE URBAN DEVELOPMENT AUTHORITY

Establishment of the Urban Development Authority.

2. (1) With effect from such date as may be fixed by the Minister by Notification published in the Gazette,† there shall be established an Authority which shall be called the Urban Development Authority of Sri Lanka, hereinafter referred to as the " Authority ".

(2) The Authority shall be a body corporate with perpetual succession and a common seal and may sue and be sued in its corporate name.

(3) The head office of the Authority shall be in Colombo.

(4) The Authority may, with the prior approval of the Minister, establish and maintain branch offices.

Declaration of areas as development areas by Order of the Minister and effect of such Order.

3. (1) Where the Minister is of opinion that any area is suitable for development, the Minister may, by Order published in the Gazette, declare such area to be an Urban Development Area (hereinafter referred to as a " development area ").

(3) The Authority shall develop every development area for the better physical and economic utilization of such area.

4. (1) The management and administration of the affairs of the Authority shall be vested in a Board of Management (hereinafter referred to as " the Board ") which shall consist of-
Constitution of the Board of Management of the Authority.

(a) a Chairman nominated by the Minister ;

(b) a senior officer of the Ministry charged with the subject of Local Government nominated by the Minister in charge of that subject ;

(c) a senior officer of the Ministry charged with the subject of Finance nominated by the Minister in charge of that subject ;

(d) a senior officer of the Ministry charged with the subject of Lands nominated by the Minister in charge of that subject ;

(e) a senior officer of the Ministry charged with the subjects of Irrigation, Power and Highways nominated by the Minister in charge of that subject ;

* See section 2 of the Urban Development Authority (Special Provisions) Act, No. 44 of 1984.

† 1st October, 1978,—See Gazette No. 4/ 1 of 1978-09-30—,(Superseded by section 2 of Urban Development Authority (Special Provisions) Act, No. 44 of 1984).

- (f) a senior officer of the Ministry charged with the subject of Industries nominated by the Minister in charge of that subject ; paragraphs (a), (m) and (n) of subsection (1) shall subject to the provisions of subsections (4) and (7) hold office for a term of three years but shall be eligible for renomination.
- (g) a senior officer of the Ministry charged with the subject of Transport nominated by the Minister in charge of that subject ; (4) The Minister may remove from office the Chairman or any member-
- (h) a senior officer of the Ministry charged with the subject of Health nominated by the Minister in charge of that subject ; (a) if he becomes subject to any disqualification mentioned in subsection (2) ; or (6) if he becomes permanently incapable of performing his duties owing to physical disability or unsoundness of mind ; or
- (i) a senior officer of the Ministry charged with the subject of Education nominated by the Minister in charge of that subject ; (c) if he does any act or thing which, in the opinion of the Minister, is likely to bring the Board to disrepute :
- (j) the person holding office for the time being as Director, Town and Country Planning ; Provided, however, that no member nominated under paragraphs (b) to (i) of subsection (I), shall be removed from office under this subsection without the concurrence of the Minister who nominated such member.
- (k) the person holding office for the time being as Chairman, National Housing Development Authority ; (5) In the event of the vacation of office by the Chairman or any other member of the Board, or his removal from office under the provisions of the preceding subsection, the Minister may nominate another person to hold such office during the unexpired part of the term of office of the member whom he succeeds :
- (l) the person holding office for the time being as General Manager of the Authority, who shall be the Secretary of the Board ; Provided, however, that if such vacation of office or removal from office is by, or of, a member nominated under paragraphs (6) to (i) of subsection (I), no nomination shall be made under this subsection without the concurrence of the Minister who nominated such member.
- (m) two other members, other than public officers, nominated by the Minister to represent the interests of local authorities ; and (6) If the Chairman or any member of the Board is temporarily unable to discharge the duties of his office due to ill health or absence from Sri Lanka or for any other cause, the Minister may nominate some other person to act in his place as Chairman or as member :
- (n) two other members nominated by the Minister from among persons who appear to him to have a knowledge of, and experience in, urban development.
- (2) A person shall be disqualified for nomination, or for continuing, as a member of the Board-
- (a) if he is, or becomes, a Member of Parliament ; or
- (b) if he is not, or ceases to be, a citizen of Sri Lanka.
- (3) The Chairman and the members nominated by the Minister under
- Provided, however, that if the member so unable to discharge the duties of his office is a member nominated under paragraphs (b)

to (i) of subsection (1), no nomination shall be made under this subsection without the concurrence of the Minister who nominated such member.

(7) The Chairman or any member of the Board may at any time resign his office by letter to that effect addressed to the Minister.

(8) The Minister may, by Order published in the Gazette, remove any member from office without assigning the reason **therefor** and such removal shall not be called in question in any court :

Provided, however, that no member nominated under paragraphs (6) to (i) of subsection (1) shall be removed under this subsection without the concurrence of the Minister who nominated such member.

(9) The Chairman or any member of the Board may be paid such remuneration out of the Fund of the Board, as may be determined by the Minister.

(10) The members nominated under paragraphs (6) to (i) of subsection (1) shall subject to the provisions of subsections (4) and (7) hold office for a term of three years.

(11) The Chairman of the Board shall if present preside at all meetings of the Board. In the absence of the Chairman from any such meeting, the members present shall elect one of the members to preside at the meeting.

(12) The quorum for any meeting of the Board shall be three members and the Board may regulate the procedure in regard to the meetings of such Board and the transaction of business at such meetings.

(13) The Board shall, in the exercise, discharge or performance of its powers, functions or duties under this Law, be subject to such general or special directions as may, from time to time, be issued by the Minister.

(14) A member of the Board who is directly or indirectly interested in any business transacted or proposed to be transacted by the Board shall disclose the

nature of such interest at the meeting of the Board where such business is discussed. The disclosure shall be recorded in the minutes of the Board, and such member shall not take part in any deliberation or decision of the Board with regard to that business, and shall withdraw from such meeting while such deliberation is in progress or such decision is being made.

(15) No act or proceeding of the Board shall be invalid by reason only of the existence of a vacancy among its members or any defect in the appointment of a member.

5. (1) The Board may establish committees consisting of such number of persons for the proper exercise, discharge and performance of its powers, functions and duties. Power of the Board to establish committees.

(2) The Board may delegate to such committees such of its powers, functions and duties as may be determined by the Board.

(3) Every committee established under subsection (1) shall determine the quorum for and the procedure to be followed at the meetings of such committee.

6. (1) The seal of the Authority shall be in the custody of the Board. Seal of the Authority.

(2) The seal of the Authority may be altered in such manner as may be determined by the Board.

(3) The seal of the Authority shall not be affixed to any instrument or document except in the presence of two members of the Board both of whom shall sign the instrument or document in token of their presence.

7. (1) The Minister may, by Order published in the Gazette, establish an Advisory Committee for each such development area as he may determine. Establishment of Advisory Committees.

(2) It shall be the function of each such Advisory Committee to advise the Board on any or all of the matters the Minister considers necessary for the purpose of carrying out or giving effect to the principles and provisions of this Law.

(3) The Minister may appoint to each such Advisory Committee such number of members on such terms and conditions as he shall determine.

(4) Each such Advisory Committee shall have the power to fix and regulate its own procedure including the power to determine the number of members necessary to form a quorum at its meetings. Every member shall hold office for three years unless he earlier resigns, dies or is removed from office.

(5) A member may resign from office by letter to that effect addressed to the Minister.

(6) A member vacating his office by resignation or by the expiration of his term of office shall be eligible for reappointment.

(7) Where a 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 to act in his place.

(8) The Minister may, if he considers it expedient so to do, remove, by Order published in the Gazette, any member of an Advisory Committee.

PART II

POWERS AND FUNCTIONS

8. The powers and functions of the Authority within any development area shall be-

- (u) to carry out integrated planning and physical development within and among such areas, subject to any directions that may be given to the Authority by the Minister from time to time ;
- (b) to implement related programmes of development work, activities and services in such areas that are consistent with integrated planning in such areas, subject to any directions that may be given to the Authority by the Minister from time to time ;

(c) to formulate and submit development plans including capital investment plans to the Minister for approval by the Government ;

(d) to undertake the execution of development projects and schemes as may be approved by the Government ;

(e) to enter into any contract with any person for the execution of development projects and schemes as may be approved by the Government ;

(f) to undertake the completion of any approved development project or scheme in default by any person failing to complete such project or scheme ;

(g) to implement development plans and capital investment plans approved by the Government ;

(h) to formulate capital improvement programmes in such areas ;

(i) to formulate and implement an urban land use policy in such areas ;

(j) to develop environmental standards and prepare schemes for environmental improvements in such areas ;

(k) to carry out building, engineering, and other operations, and undertake any work in connexion with the infrastructure development of such areas ;

(l) to acquire and hold any movable or immovable property or dispose of any movable or immovable property acquired or held by it ;

(m) to formulate and execute housing schemes in such areas ;

(n) to cause the clearance of slum and shanty areas and to undertake the development of such areas ;

Powers and functions of the Authority.

- (o) to prepare at the request of any Government agency development projects and planning schemes on behalf of such agency and to **co-ordinate** and supervise the execution of such projects or schemes ;
- (p) to approve, co-ordinate and control development projects or schemes of any Government agency in such areas ;
- (q) to provide technical planning services for the benefit of Government agencies or other persons in such areas ;
- (r) to regulate any planning projects or schemes prepared by any Government agency or other persons in such areas ;
- (s) to call upon any Government agency at the direction of the Government to undertake in consultation with the Authority, any development projects or schemes and to regulate the activities of such projects or schemes ;
- (t) to charge rents or fees for any building or for any services provided by the Authority ;
- (u) to accept gifts, grants, donations or subsidies whether in cash or otherwise and to apply them for carrying out any of the objects of the Authority ; and
- (v) to do all such acts or things as are incidental to or consequential upon the exercise, discharge and performance of its powers, functions and duties under this Law.

- (b) all such sums of money as may be received by the Authority in the exercise, discharge and performance of its powers, functions and duties ; and
- (c) all such sums of money as may be received by the Authority by way of loans, donations, gifts, or grants from any sources whatsoever, whether in or outside Sri Lanka.

(2) There shall be paid out of the Fund of the Authority all such sums of money required to defray any expenditure incurred by the Authority in the exercise, discharge and performance of its powers, functions and duties.

(3) The initial capital of the Authority shall be one hundred million rupees. The amount of the initial capital shall be paid out of the Consolidated Fund in such instalments as the Minister in charge of the subject of Finance may in consultation with the Minister determine and such sums shall be credited to the Fund established under subsection (1).

[§ 2, 70 of 1979.]

10. (1) The provisions of the Public Corporations (Financial Control) Act shall, *mutatis mutandis*, apply to the financial control of the Authority.

Application of the provisions of the Public Corporations (Financial Control) Act.

(2) The financial year of the Authority shall be the calendar year.

11. (1) The Board may, with the consent of the Minister, or in accordance with the terms of any general authority given by him, borrow temporarily, by way of overdraft or otherwise, such sums as the Board may require for meeting the obligations of the Authority or discharging its duties under this Law :

Borrowing powers of the Board.

Provided that the aggregate of the amounts outstanding in respect of any temporary loans raised by the Board under this subsection shall not at any time exceed such sum as may be determined by the Minister in consultation with the Minister in charge of the subject of Finance.

(2) The Board may, with the consent of the Minister given with the concurrence of the Minister in charge of the subject of

PART 111

FINANCE

9. (1) The Authority shall have its own Fund. There shall be credited to the Fund of the Authority—

- (a) all such sums of money as may be voted, from time to time, by Parliament for the use of the Authority ;

Fund of the Authority.

[§ 3, 70 of 1979.1

Finance, borrow money, for the provision of the working capital or the investment capital of the Authority, otherwise than by way of temporary loan under subsection (1) by the issue of debentures. The debentures so created and issued are in this Law referred to as (" Urban Development Authority Debentures ").

(3) Urban Development Authority Debentures shall be issued, transferred, dealt with, redeemed and cancelled in accordance with such terms as may be determined by the Board with the approval of the Minister given with the concurrence of the Minister in charge of the subject of Finance.

Government guarantee.

12. (1) The Minister in charge of the subject of Finance shall guarantee the repayment of the principal of, and the payment of the interest on, any sum due on debentures issued under this Law.

(2) Any sum required for the fulfilment of a guarantee provided under subsection (1) may, with the prior approval of Parliament, be paid out of the Consolidated Fund.

(3) Any sum paid out of the Consolidated Fund in fulfilment of a guarantee provided under subsection (1) shall be repaid, together with interest thereon, at such rate as the Minister in charge of the subject of Finance may determine with the concurrence of the Minister, by the Authority in such manner and over such period as the Minister in charge of the subject of Finance may with such concurrence determine.

(4) Immediately after a guarantee is given under subsection (1) the Minister in charge of the subject of Finance shall lay a statement of the guarantee before Parliament.

(5) Where any sum is paid out of the Consolidated Fund in fulfilment of a guarantee provided under subsection (1), the Minister in charge of the subject of Finance shall forthwith lay before Parliament a statement that such sum has been paid.

PART IV

STAFF

13. (1) There shall be a General Manager of the Authority appointed by the Minister for a period of three years.

General Manager of the Authority.

(2) The General Manager shall be entitled to be present and to speak at meetings of the Board, but shall not be entitled to vote at such meetings.

(3) The General Manager shall, subject to the general direction and control of the Chairman, be charged with the direction of the business of the Authority, the organization and execution of the powers, functions and duties of the Authority and the administrative control of the employees of the Authority.

(4) The General Manager may, with the approval of the Board, delegate in writing to any other employee of the Authority such of his powers, functions or duties as he may, from time to time, consider necessary, and any employee to whom any such powers, functions or duties are so delegated shall exercise them subject to the general or special directions of the General Manager.

14. (1) The Authority may appoint such officers, servants and agents as it considers necessary for the efficient exercise, discharge and performance of its powers, functions and duties.

Appointment of officers, servants and agents.

(2) The officers, servants and agents shall be remunerated in such manner and at such rates, and shall be subject to such conditions of service, as may be determined by rules made by the Authority.

(3) At the request of the Authority any officer in the public service may, with the consent of that officer and the Secretary to the Ministry charged with the subject of Public Administration, be temporarily appointed to the staff of the Authority for such period as may be determined by the Authority with like consent, or be permanently appointed to such staff.

(4) Where any officer in the public service is temporarily appointed to the staff of the Authority, the provisions of subsection (2) of section 13 of the Transport Board Law shall, *mutatis mutandis*, apply to and in relation to him.

(5) Where any officer in the public service is permanently appointed to the staff of the Authority, the provisions of subsection (3) of section 13 of the Transport Board Law shall, *mutatis mutandis*, apply to and in relation to him.

(6) Where the Authority employs any person who has entered into a contract with the Government by which he has agreed to serve the Government for a specified period, any period of service with the Authority by that person shall be regarded as service to the Government for the purpose of discharging the obligations of such contract.

(7) At the request of the Authority any member of the Local Government Service or any other officer or servant of any local authority may with the consent of such member, officer or servant and the Local Government Service Advisory Board or that local authority, as the case may be, be temporarily appointed to the staff of the Authority for such period as may be determined by the Authority with like consent or be permanently appointed to such staff on such terms and conditions including those relating to pension or provident fund rights as may be agreed upon by the Authority and the Local Government Service Advisory Board or that local authority.

(8) Where any person is temporarily appointed to the staff of the Authority in pursuance of the provisions of subsection (7), such person shall be subject to the same disciplinary control as any other member of such staff.

PART V

ACQUISITION OF IMMOVABLE PROPERTY
AND SALE OF LANDS BELONGING TO THE
AUTHORITY

15. (1) Where the Minister certifies that any land or interest in land vested in a local authority is required by the Authority for any purpose of the Authority, the Minister may by Order published in the Gazette vest such land or interest in such land in the Authority with effect from such date as shall be specified in the Order, subject to such conditions, if any, as may be so specified.

Authority over lands which are situated within the jurisdiction of any local authority.

(2) An Order made under subsection (1) shall confer on the Authority absolute title to any land or interest in land and to any buildings and other structures on such land as specified in the Order, with effect from the date specified therein and free of all encumbrances, and no compensation shall be payable by the Authority in respect of such land or interest in such land or buildings or other structures therein.

16. (1) Where any land or any interest in land in any area declared as a development area under subsection (1) of section 3 is required by the Authority for any of its purposes, that land or interest therein may be acquired under the Land Acquisition Act by the Government for the Authority and the provisions of that Act shall, save as otherwise provided in subsection (2) of this section, apply for the purposes of the acquisition of that land or the interest therein. Such land or interest therein shall for the purposes of the Land Acquisition Act be deemed to be required for a public purpose.

Compulsory acquisition of land under the Land Acquisition Act for the Authority.

(2) In the case of any such acquisition where the public notice of the intention to acquire that land or interest therein is published as required by the Land Acquisition Act at any time within a period of five years commencing from the date of publication in the Gazette of the Order under subsection (1) of section 3 declaring an area as a development area, notwithstanding anything to the contrary in

the Land Acquisition Act, the market value of the land or the interest therein for the purpose of determining the amount of compensation to be paid in respect of that land or the interest therein shall be deemed to be the market value which that land or the interest therein would have had on the date of publication in the Gazette of the Order under subsection (1) of section 3 declaring such area as a development area under this Law, increased by a reasonable amount on account of improvements, if any, effected to such land, after that date.

State property both movable and immovable to be available to the Authority.

17. (1) Where any immovable property of the State is required for the purpose of the business of the Authority such purpose shall be deemed to be a purpose for which a special grant or lease of such property may be made under section 6 of the State Lands Ordinance and accordingly the provisions of that Ordinance shall apply to a special grant or lease of such property to the Authority.

(2) Where any movable property of a Government department or any public corporation is required for the purpose of the Authority the Minister may by Order published in the Gazette transfer to and vest in the Authority the possession and use of such movable property.

(3) No Order affecting any movable property of any Government department or public corporation shall be made by the Minister under subsection (2) without the consent of the Minister in charge of that department or public corporation.

Alienation of land or interest in land held by Authority.

18. (1) The Authority may, with the approval of the Minister, alienate, by way of sale, lease, rent or rent purchase for the purpose of urban development, any land or interest in land held by the Authority, subject to such terms and conditions including the use or uses for which the land or interest in land is alienated as may be determined by the Minister, and in particular, but without prejudice to the generality of the foregoing provisions of this section, a condition to the effect that the alienation effected by the instrument of alienation may be cancelled or determined in the event of a failure to comply with any other condition specified in such instrument, or in the event of any money due to the

Authority under such instrument remaining unpaid for any such period as may be specified therein.

(2) Nothing in the State Lands Ordinance shall affect or be deemed or construed to affect the alienation of any State land held by the Authority for the purpose of any urban development.

19. Notwithstanding the provisions of No action to lie in respect of the cancellation or determination of an instrument of alienation. any other law to the contrary, no action shall lie against the Authority or any officer or servant of such Authority in respect of the cancellation or determination of an instrument of alienation under the provisions of section 18.

PART VI

GENERAL

20. (1) The Minister may, from time to time, give the Authority general or special Directions of the Minister. directions as to the exercise of the powers and the performance of the duties of the Authority and such directions shall be carried out by the Authority.

(2) The Minister may, from time to time, direct in writing the Authority to furnish him such information with respect to the property, business and activities of the Authority, as he may require and the Authority shall carry out every such direction,

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

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

(3) Every regulation shall as soon as convenient after publication in the Gazette be brought before Parliament for approval. Any regulation which is not so approved shall be deemed to be rescinded as from the date of its disapproval but without prejudice to anything previously done thereunder.

(4) Notification of the date on which any regulation made by the Minister is so deemed to be rescinded shall be published in the Gazette.

Power to enter any land or premises.

22. It shall be lawful for the Chairman of the Authority or any officer generally or specially authorized by him in writing, at any reasonable time, to enter upon any land or premises and then do such acts as may be reasonably necessary for the purpose of carrying out or giving effect to any work of the Authority, or of making of any survey, examination or investigation, preliminary or incidental to the exercise of any power, or the discharge of any function of the Authority.

Applicability of Town and Country Planning Ordinance and other enactments in development areas.

23. (1) Where any area has been declared to be a development area the Minister may, by Order published in the Gazette, declare that any planning scheme or project in a development area under the provisions of the Town and Country Planning Ordinance or under any other enactment which is in conflict with any development project under the provisions of this Law shall cease to operate in that area.

(2) So long as an Order made by the Minister under the provisions of subsection (1) is in force, the Authority shall be responsible for the physical planning of such area in accordance with the provisions of this Law.

(3) Notwithstanding the provisions of subsection (1) at the request of the Authority the Minister may, from time to time, by Order published in the Gazette, declare that, with effect from such date as shall be specified in the Order, the Authority shall cease to be the authority responsible for the physical planning in such area and the provisions of the Town and Country Planning Ordinance or any other enactment shall be applicable.

(4) No person other than the Authority shall exercise, perform and discharge any powers, duties and functions relating to planning and development within any area declared to be a development area under section 3.

24. All members, officers and servants of the Authority shall be deemed to be public servants within the meaning and for the purpose of the Penal Code.

Members, officers and servants of the Authority deemed to be public servants.

25. The Authority shall be deemed to be a scheduled institution within the meaning of the Bribery Act, and the provisions of that Act shall be construed accordingly.

The Authority deemed to be a scheduled institution within the meaning of the Bribery Act.

26. (1) No suit or prosecution shall lie -

Protection from prosecution for action taken under this Law or on the direction of the Authority.

(a) against the Authority for any act which in good faith is done or purported to be done by the Authority under this Law ; or

(b) against any member, officer, servant or agent of the Authority for any act which in good faith is done or purported to be done by him under this Law or on the direction of the Authority.

(2) Any expense incurred by the Authority in any suit or prosecution brought by or against the Authority before any court shall be paid out of the Fund of the Authority, and any costs paid to, or recovered by, the Authority in any such suit or prosecution shall be credited to the Fund of the Authority.

(3) Any expense incurred by any such person as is referred to in paragraph (b) of subsection (1) in any suit or prosecution brought against him before any court in respect of any act which is done or is purported to be done by him under this Law or on the direction of the Authority shall, if the court holds that such act was done in good faith, be paid out of the Fund of the Authority, unless such expense is recovered by him in such suit or prosecution.

27. (1) The Authority may make rules in respect of all or any of the matters for which rules are authorized or required by this Law to be made.

Power of Authority to make rules.

(2) No rule made by the Authority under this Law shall have effect until it has been approved by the Minister.

Offences.

28. Every person who contravenes or fails to comply with any provision of this Law, of any regulation or rules made or issued thereunder shall be guilty of an offence and shall on conviction before a Magistrate be liable to imprisonment of either description for a term not exceeding two years or to a fine not exceeding one thousand rupees or to both such imprisonment and fine.

Interpretation.

29. In this Law, unless the context otherwise requires-

“ local authority ” means any Municipal Council, Urban Council, Town

Council or Village Council and includes any Authority created and established by or under any law to exercise, perform and discharge powers, duties and functions corresponding to or similar to the powers, duties and functions exercised, performed and discharged by any such Council ; and

“ physical planning ” includes the physical and economic development of land.