



**CEILING ON HOUSING PROPERTY
(AMENDMENT) LAW, No. 18 OF 1976**

OF

THE NATIONAL STATE ASSEMBLY

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Ceiling on Housing Property (Amendment)
Law, No. 18 of 1976

L. D —O. 78/75

A LAW TO AMEND THE CEILING ON HOUSING PROPERTY
LAW, NO. 1 OF 1973.

BE it enacted by the National State Assembly of the Republic of Sri Lanka as follows:—

1. This Law may be cited as the Ceiling on Housing Property (Amendment) Law, No. 18 of 1976.

Short title.

2. Section 3 of the Ceiling on Housing Property Law, No. 1 of 1973 (hereinafter referred to as the "principal enactment") as amended by Law No. 34 of 1974, is hereby further amended as follows:—

Amendment of section 3 of the Ceiling on Housing Property Law, No. 1 of 1973.

(1) in paragraph (2) of that section, by the substitution, for the words "becomes the owner, otherwise than by intestate succession", of the words "becomes the owner";

(2) in paragraph (3) of that section, by the substitution, for the words "becomes the owner, otherwise than by intestate succession, of less than one-half share," of the words "becomes the owner of not more than one-half share,"; and

(3) in paragraph (4) of that section, by the substitution, for the words "undivided shares and became the owner thereof, otherwise than by inheritance or gift," of the words "undivided shares,".

3. Section 4 of the principal enactment is hereby repealed and the following new section substituted therefor:—

Replacement of section 4 of the principal enactment.

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

4. 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."

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Amendment of
section 8 of the
principal
enactment.

4. Section 8 of the principal enactment is hereby amended as follows:—

(1) by the insertion, immediately after subsection (3) of that section, of the following new subsection:—

“(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.”; and

(2) by the insertion, immediately after subsection (5) of that section, of the following new subsections:—

“(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.

(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."

5. Section 11 of the principal enactment is hereby amended by the insertion, immediately after subsection (3) of that section, of the following new subsection :—

Amendment of section 11 of the principal enactment.

"(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."

6. Section 13 of the principal enactment is hereby amended by the addition, at the end of that section, of the following :—

Amendment of section 13 of the principal enactment.

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

7. The following new section is hereby inserted immediately after section 13, and shall have effect as section 13A, of the principal enactment :—

Insertion of new section 13A in the principal enactment.

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

13A. (1) Where the owner of a house—

(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 institu-
tion; or

(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 appli-
cation; 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 ejectment 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 news-
paper, 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

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any house vested in the Commissioner by an Order made under subsection (6) of this section."

Amendment of section 16 of the principal enactment.

8. Section 16 of the principal enactment is hereby amended in subsection (1) of that section, by the substitution, for the words "such extent of land as is in the opinion of the Commissioner", of the words "such extent of land and such rights as is or are in the opinion of the Commissioner".

Amendment of section 17 of the principal enactment.

9. Section 17 of the principal enactment is hereby amended as follows:—

(1) in subsection (1) of that section, by the substitution, for the words 'by Order (hereinafter referred to as a "vesting Order") vest', of the words 'by Order (hereinafter referred to as a "vesting Order") published in the *Gazette* vest':

(2) by the insertion, immediately after subsection (3) of that section, of the following new subsections—

"(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.

(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

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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.”; and

(3) in subsection (4) of that section, by the substitution, for the words “the provisions of subsections (2) and (3)”, of the words “the provisions of subsections (2), (3), (3A) and (3B)”.

10. Section 23 of the principal enactment is hereby amended in paragraph (i) of the proviso to that section, by the substitution, for the words “vested under section 14,”, of the words “vested under section 13A or section 14,”.

Amendment of section 23 of the principal enactment.

11. Section 25 of the principal enactment is hereby amended by the substitution, for the words “the Commissioner shall pay from such amount”, of the words “the Commissioner shall, before any payment is made to such person under section 28, pay from such amount”.

Amendment of section 25 of the principal enactment.

12. Section 28 of the principal enactment is hereby amended by the repeal of subsection (2) of that section, and the substitution therefor, of the following new subsection—

Amendment of section 28 of the principal enactment.

“(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;

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- (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.

Amendment of
section 45 of
the principal
enactment.

13. Section 45 of the principal enactment is hereby amended by the substitution, for the words "offence under section 42", of the words "offence under section 8 (3A) or section 42".

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14. The following new section is hereby inserted immediately after section 45, and shall have effect as section 45A, of the principal enactment:—

Insertion of new section 45A in the principal enactment.

* Who may act for minors and persons of unsound mind.

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.

15. Sections 2, 3, 5, 8 and 9 of this Law shall be deemed to have come into effect on the date of commencement of the principal enactment.

Retrospective effect of certain provisions of this Law.