

RAJASTHAN

TOURISM UNIT POLICY – 2007

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In the year 2006, the Tourism Department had announced a New Hotel Policy of Rajasthan. This policy is proposed to be replaced by Rajasthan Tourism Unit Policy- 2007.

Rajasthan is one of the leading Tourism States of India. The Glorious Heritage and colorful culture of the state is a special attraction for Foreign Tourists. Heritage assets, found all over the state can be utilized for development of Tourism. During the last few years, there has been tremendous increase in the number of Tourists to the State. However the infrastructural facilities have not kept pace. Presently there are 36,000 rooms available for Tourists and by year 2012 an additional 20,000 Hotel rooms would be required for Tourists in the State. With this objective, the State Govt. had in 2006 announced a New Hotel Policy proposing several concessions. The concessions in the hotel Policy 2006 were to be extended to the Star category of Hotels only, whereas several other categories of hotels, heritage hotels and other tourism units such as camping sites, holiday resorts and restaurants etc. are also providing accommodation for tourists.

In this regard, Tourism unit as defined in rule 1AA of Rajasthan Land Revenue (Industrial Area Allotment) Rules, 1959, and Rule 2 (r) of Rajasthan Land Revenue (Conversion of Agricultural Land for Non-Agricultural purpose in Rural areas), Rule, 2007, includes all types of hotels, heritage hotel, holiday resorts etc. In view of the new definition of Tourism Unit, it has become essential for Tourism development not only to include classified hotels in the Hotel Policy but also to include all other

category of hotels, heritage hotels and other tourism units in the New Policy. With this objective Rajasthan New Tourism Unit Policy – 2007 is being announced. The following concessions and facilities have been made applicable for all types of Tourism Units :-

- In Rule 2(r)(d) of Rajasthan Land Revenue (Conversion of Agricultural Land for Non-Agricultural purposes in Rural areas), Rule, 2007, a restaurant having investment of Rs. 10.00 lacs or more, has been included. This investment will be increased to Rs. 1.00 crore.
- Considering the new developments taking place in the Tourism sector and the possible need for inclusion of new definitions in the policy to avail of the benefits, Principal Secretary, Tourism and Principal Secretary, Urban Governance would define and recommend to the concerned departments to include such activities as Tourism Units in applicable rules.
- Health Spa or other medical health related activities such as Yoga etc. attached with Tourism Units, Golf Academy, Golf Course, other Sports related activity would be included in the definition of Tourism Units in applicable rules.

As per the above definition and interpretation with regard to the Tourism Unit, the concerned departments would amend their respective rules, sub-rules and notifications accordingly.

1. Allotment of Land for Hotels and other Tourism Units

For establishment and development of all types of Tourism Units, including all types of Hotels State Govt. would make available land as per following procedure:-

- a. Jaipur Development Authority, UIT, Municipal Bodies, Gram Panchayat and District Collectors would identify suitable land for the establishment of Tourism units in which hotels are also included. Such land bank will be reserved for all categories of Hotels and Tourism Units such as:-

1-Budget Hotels (1,2 & 3 Stars)

2-4 Star Hotels

3-5 Star & 5 Star Deluxe Hotels

4-Other Tourism Units

- b. Information of such Land Bank would be made available on the website of the Tourism Department and that of concerned Local Body/ District Collector.
- c. The maximum and minimum land area to be reserved for different categories of Hotels as well as other tourism units shall be as under:-

S. No.	Category	Minimum Land Area	Maximum Land Area
(1)	Budget Hotels (1, 2 & 3 Star)	Up to 1200 sq. mtrs.	Up to 4000 sq. mtrs.
(2)	4 Star Hotels	Up to 6000 sq. mtrs.	Up to 12000 sq. mtrs.

(3)	5 Star & Deluxe Category	upto 18000 Sq. mtrs.	Up to 40,000 sq. mtrs.
(4)	Other tourism unit	-	as per requirement / availability

2. (a) As specified at point no. (1)(a) Local bodies / Panchayats / District Collectors, shall identify and reserve land on Special Reserve Price for hotels and other tourism units. For hotels and other tourism units, special reserve prices will be fixed in relation to present commercial reserve price of the local area as under:-

Hotel Category	Minimum Special Reserve Price
(i) One Star	10 Percent of the commercial reserve price
(2) Two Star	20 Percent of the commercial reserve price
(3) Three Star	30 Percent of the commercial reserve price
(4) Four Star	45 Percent of the commercial reserve price
(5) Five Star	50 Percent of the commercial reserve price
(6) Other Tourism Unit	50 Percent of the commercial reserve price

This special reserve price shall be the base price for disposal of identified and reserved lands through a process of competitive bidding. The Local Bodies / District Collectors shall notify the special reserve price of various identified land sites for tourism unit projects on their websites and also on the website of Department of Tourism. But the special reserve price shall not be less than the residential reserved price of that specific area. In compliance of new policy, Urban Governance and Revenue Departments shall amend their respective rules as indicated above.

(b) The process of competitive bidding and allotment for such reserve Hotel lands with "Special Reserve Price" shall be as follows:-

- i. The Local Bodies shall notify through public advertisement for sale and disposal of lands identified and reserved for hotels and other tourism units through competitive bidding. The Special Reserve Price for sale / disposal shall be indicated in the advertisement and this price shall be the base price for disposal of land through competitive bidding.
- ii. Concerned Local Body / Panchayats / District Collectors shall regularly take action for the disposal of the available land, through public advertisement. In case more than one applicant applies for the land within the specified time period, the sale / disposal of land shall be done through competitive bidding. In case no application is received in the specified time period, than allotment of land, shall be made to the single bidder on special reserve price, as per the other provisions of the Tourism Unit Policy

- iii. In case of above 2 b (i) and 2 b (ii), the Local Body / Panchayats / District Collectors shall ensure applicability of pre-qualification of bidders who are allowed to bid for the hotel land or the single applicant / bidder who is considered for allotment of land at Special Reserve Price. The Local Bodies / Panchayats / District Collectors shall also ensure that the successful bidder in the competitive bidding process or the single bidder / applicant (who has been considered for allotment of the land on Special Reserve Price) shall provide a "Performance Guarantee" equivalent to 10% of the project cost. Commercial activities on such land shall be restricted to a maximum of 15% of constructed area.

- iv. The following eligibility criteria is laid down for being eligible for bidding and applying for hotel / tourism units land under this policy
 1. No conditions for Budget Hotel (for 1,2 and 3 Star Category hotels)
 2. For 4 Star and above – The bidder / applicant should be a Hotelier / Tour Operator / involved in the field of tourism. In case the applicant does not have the above eligibility, then a tie up with a consortium with one of the members having the desired eligibility conditions can be considered.
 3. Land made available under this policy cannot be used for any other purpose for 30 years.

(3) Conversion of Agricultural Land in urban areas

(i) Conversion of agricultural land in urban areas have been done under Section 90'B' of Rajasthan Land-Revenue Act, 1956. Required orders are passed by concerned Local Body viz Jaipur Development Authority / UIT / Municipal Bodies. Presently for the establishment of Hotel and other tourism units, since there is no separate category, conversion is done in the commercial category. Recently, State Government has launched a new Township Policy vide Notification No. F19(1)UD/3/2002 dt. 29.03.2007. As per para no. A(13), a provision has been made for conversion of agricultural land in to non-agricultural land for different proposes. In this Policy commercial conversion of agricultural land @ of Rs. 400 /- per sq.mtr. in Jaipur City and different rates for other cities, have been made applicable. There is no separate rate for Hotel and other Tourism Units. Generally hotels are considered to be in commercial category. As such it is proposed to assign a subcategory in the commercial category, for hotels and tourism units, so that there is no ambiguity in land conversion for commercial lands and Hotels.

(ii) The State Govt. intends to provide full relaxation to Hotels and other tourism units for conversion from agricultural land, therefore sr. no. 3 in the table given below para no. A(13) of the Township Policy, a new provision would be included by which conversion charges / fees would be exempted for establishment of hotels and other tourism units from agricultural land.

S. N.	Use	City (amount in rupees per sq. yard)			
		Jaipur	Divisional Head Qtrs. (Except Bharatpur)	Cities having population less than one lac +	Towns with population less than one lac
3.	Agricultural to Hotel (Tourism Unit) in a township or independent plot)	Nil	Nil	Nil	Nil

(iii) Similarly as per para no. C/6 of above notification, development fees are also imposed, which have been determined as Rs. 200/- per Sqr. yard in Jaipur and in other cities Rs. 150/100 per sqr. yard. Under this Tourism Unit Policy, provision for abolition of the charges are also being proposed by adding new proviso (iv) to para 6/c of the new Tourism Policy as under :-

(iv) Hotels and other Tourism Units - Nil

(4) For conversion of agricultural land into non-agricultural land in Rural areas.

Under Rule-7 of Rajasthan Land revenue (conversion of agricultural land for non-agricultural purpose in Rural areas) Rules, 2007, provision for conversion for different purpose has been made and Rule 8 mentions about provisions for relaxation. As per provisions of Sub Rule(2) & (4) of Rule 8 a maximum area of 2000

sqr. mtrs and 1200 sqr. mtrs for Tourism Units and Hotels has been made. Similarly in Sub-Rule (3) & (5) 50 % exemption in fees has been made. It is proposed that in rural areas for different types of hotels and other tourism units full exemption from agricultural land conversion fees will now be made, for which necessary amendment in Rule 8 will be made as under :-

The amended Rule-8 of the Rajasthan Land Revenue (Conversion of Agricultural Land for Non-Agricultural Purposed in Rural Areas) Rules, 2007 is proposed to be as under –

8. "Exemption of Conversion Charges –

- (1) No conversion charges shall be payable by any department of State Government or a local authority for conversion of land for non-agricultural purpose for any official use.
- (2) No conversion charges, as prescribed in Rule-7, shall be payable where a tenant desires to establish a hotel or any other tourism unit as defined in Rule 2 (r) on the land held by him, upto 31st March, 2010."

5. Regarding conversion of residential land and heritage properties into Hotels and other tourism units

In Rajasthan Municipal Corporation (Land-Utilization Conversion) Rule, 2000, provisions for conversion of residential land into commercial and other purposes, have been made and definition of commercial, residential and industrial land – utilization has been given. In Rule 12,

provision for conversion of non-commercial land for commercial purpose has been made on 40% of the reserve residential price. As per these provisions any residential land or building used for hotels shall be converted on the 40% residential reserve price. All such heritage properties forts, palaces are also covered in this category and in case of establishing hotels in such heritage properties, developer has to deposit conversion charges as per provision of the Rule-12.

In Rajasthan presently there are many havelis, forts and palaces in heritage category that can be developed into hotels, which would be of special attraction to tourists. This would not only increase the tourist arrivals in the state but also promote the culture of Rajasthan. Hence for this, in Rule-12(i) the following proviso shall be added :-

- (i) that any heritage property such as havelis, forts, palaces, hunting lodges etc, which have been constructed prior to 1950, and are proposed to be utilized for conversion / construction into heritage hotels having minimum of 10 rooms shall be exempted from above mentioned fees.
- (ii) provided further that if any residential land or residential building is proposed to be used for hotels or other tourism units, having minimum of 10 rooms, shall be exempted from above mentioned fees.

Provided further that for other tourism units and camping sites or tents etc, restriction of 10 rooms will not be applicable.

6. **Regularization**

There are some heritage properties and residential land and buildings which are running as hotels or other tourism units without permission and are also operational. Under new policy, new hotels and tourism units will be fully exempted from land conversion charges. If land and buildings are being used as Hotels and tourism units without prior permission, the same shall be regularized under Rule-12 of Rajasthan Municipality (Land-use conversion) Rule – 2000 on the basis of merits as per new clause of Rule-12 on payment of 25% of regularization fees.

7. **F.A.R.**

Presently there is provision of 1.75 FAR in JDA area and other urban areas, which has been doubled by Urban Governance Department order dt. 19.02.07 in new developed and New Township areas, subject to condition that overall FAR of the Township area shall not exceed 1 (one). FAR for Hotels already established would be increased from 1.75 to 2.0 to allow construction of an additional floor. But in both circumstances, land coverage area shall be similar to previous permissible area.

But in such cases only rooms would be permitted for construction rather than restaurant, bar or banquet hall etc.

8. Other such policy matters which are related to Hotels and other Tourism units and which are not covered in this Tourism Unit Policy-2007, will be put up through nodal department on the basis of merits to BIDI for appropriate decision.
9. All concessions available in Rajasthan Investment Policy Scheme 2003, shall also be available to all tourism units.

10. Nodal Department

For infrastructural development of all tourism units, Tourism Department shall work as Nodal Department.

11. **After the approval of the Tourism Unit Policy 2007 by the Cabinet, concerned departments would not be required to send to the cabinet amendments in their respective rules/ sub-rules and notifications. Concerned departments can make such amendments at the departmental level.**
