

## **THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) BILL, 2025 - PURPOSE**

- Several issues in ownership and management of the apartment under the current law have been brought out such as
  - land on which common amenities are built not getting transferred from the land owners;
  - competent authority to approve the bye-laws and oversee its enforcement is not clear;
  - accountability for safety and security is not clearly specified;
  - action against owners who refuse to pay maintenance charges not addressed;
  - scope of work encompassing the Urban Development Department and the Co-operation Department leading to confusions; and
  - appropriate provisions for re-development needs not addressed.

## **THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) BILL, 2025 - PURPOSE**

**In order to remove confusions in the present two Acts and to align with the provisions of RERA Act, the Government has considered it necessary to repeal both the Acts and enact a single comprehensive Act.**

## **THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) BILL, 2025 - PROCESS**

- Government, vide order No. UDD 160 MNU 2010, dated 16.07.2018 constituted a committee under the chairmanship of the Director of Town and Country Planning, comprising officials from BBMP, BDA, BMRDA, DPAL, Cooperation Department and PWD.
- The committee, after holding meetings with various Government departments & other agencies such as residents associations, CREDAI etc., submitted its report and draft "Karnataka Apartment Ownership Bill, 2019" to the Government on 20.09.2019.
- The draft bill submitted by the committee was further revised after discussions with CREDAI, BAF, Department of Cooperation, Housing including RERA, DMA, Commissionerate of Town and Country Planning and suggestions given have been considered and suitably incorporated.

## **THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) BILL, 2025 – SALIENT FEATURES**

- The objective of the Bill is to
  - consolidate the laws relating to ownership of an individual apartment in a building and
  - to make such apartment heritable and transferable immovable property and
  - to establish a framework for the governance of apartments in the State.
- Applicable for projects containing more than 8 apartments.
- The formation of society for maintenance of common areas has been replaced by formation of association of apartment owners for management of the apartment complex.
- All processes like association registration, submission of byelaws, monitoring of the Act, etc. are being brought under the purview of the Urban Development Department, eliminating the confusion caused in the existing Act.

# **THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) BILL, 2025 – SALIENT FEATURES**

## **New Definitions Introduced for Transparency in Ownership**

Clear statutory definition of Super Built-Up Area, including carpet area, external walls, balconies, and proportionate common areas.

## **The Bill distinguishes between:**

Undivided Interest → Rights relating to use, governance and maintenance of common areas.

Undivided Share → Notional ownership proportion of the common areas.

Both are determined proportionate to the super built-up area of each apartment.

# **THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) BILL, 2025 – SALIENT FEATURES**

- Existing associations registered under the present Act are deemed to be the association of the allottees under the proposed bill.
- In case transfer of ownership of apartment has been done before this Bill is enacted but deed of transfer of common areas and facilities has not been executed, separate deed of transfer of common areas and facilities to be executed within 12 months.
- Alteration/ modification/ redevelopment of apartment can be undertaken with the sanction of seventy five percent of the individual flat owners of the apartment building.

## **THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) BILL, 2025 – SALIENT FEATURES**

- The common areas & facilities (such as lifts, corridors, service areas) and the community & commercial facilities (such as swimming pool, club house, shops) included in the apartment have been separated, for the convenience of levying maintenance & user charges. Thereby, disputes arising in levy & collection of maintenance charges by the association are reduced.
- The land on which common areas and facilities are built is proposed to be transferred as undivided share to all the apartment owners proportionate to the area of unit, thereby eliminating confusion regarding ownership of common areas and amenities and payment of property taxes.

## **THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) BILL, 2025 – SALIENT FEATURES**

- Provision to raise contribution from allottees/ apartment owners as Common Capital towards renovation and re-development.
- Accountability and Responsibility in case of accidents / untoward incidents within the Apartment Complex has been included.
- Dispute resolution mechanism has been incorporated in detail.
- Appropriate provisions for re-development of apartments have been incorporated.



## **THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) BILL, 2025 – SALIENT FEATURES**

Aspects such as definitions, functions and duties of the promoter including facilitation of formation of association of allottees and rights and duties of allottees and execution of deed of transfer have been aligned with the RERA Act and clearly specified. Accordingly, association of allottees is to be formed within 3 months of more than 50% of allottees booking their apartment in the project.

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## **THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) BILL, 2025 – SALIENT FEATURES**

- The duties of promoter include
  - Submission of declaration to competent authority.
  - Handing over of all original documents including plans, service layouts, receipts of taxes and other charges paid.
  - Transferring all unpaid amounts to the associations.
  - Enabling formation of associations as per the provisions of RERA Act.
  - Maintenance of common areas and facilities till associations is formed.

## **THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) BILL, 2025 – SALIENT FEATURES**

- **Responsibilities of apartment owners include**
  - to abide by the bye-laws of the association.
  - to use the common areas and facilities in accordance with the purposes without hindering or encroaching upon the lawful rights of the other apartment owners
  - To pay maintenance charges and capital contribution as determined by the association in their bye-laws.
  - To maintain the apartment in good condition.
  - Not to do any work which would be pre-judicial to the soundness or safety of the property

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## **THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) BILL, 2025 – SALIENT FEATURES**

- **Responsibilities of association/ federation include**
  - Up keep and maintenance of common areas and facilities and community and commercial facilities.
  - Maintenance of building.
  - Safety of building.
  - Not to undertake modification or alteration without sanction of 75% of the apartment owners.
  - Maintenance of accounts & audit and all records.
  - Levy and utilisation of maintenance charges as per the bye-laws.
  - Preparation submission and registration of bye-laws.

## **THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) BILL, 2025 – SALIENT FEATURES**

- Recently, Civil Court has ruled that all flat owners should be charged the same maintenance fees irrespective of apartment size.
- Section 10 of Karnataka Apartment Ownership Act (KAOA) 1972 says that common expenses shall be charged to the apartment owners according to the percentage of the undivided interest in the common areas and facilities.
- In the proposed Bill, “Maintenance charges” are proposed to be levied in proportion to the super built up area of the particular apartment or flat to the total super built up area of the apartment, which is a largely accepted norm.
- The Bill provides for levy of “community and commercial facilities user charges” for the access and use of community and commercial facilities, as may be approved by the association. This is in addition to the maintenance charges, to be borne by all the apartment owners.

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## **THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) BILL, 2025 – SALIENT FEATURES**

For effective implementation of the Act, officers of the local bodies or planning authorities or officers supervising local bodies are proposed to function as the competent authority with two stage appellate authorities.

## THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) BILL, 2025 – SALIENT FEATURES

- **Competent Authority:** Officers of local authority or planning authority not below the rank of Group B.

### Powers and functions include

- Holding inquiry regarding complaints.
- Issue directions and pass orders.
- Register and regulate the association or federation.
- Scrutinise and maintain register of declaration.
- Approve the bye-laws.
- Ensure compliance of the obligations cast upon the promoter, association / federation and apartment owners.
- Resolve disputes.
- Discharge functions of association of allottees, if more than two-third of the apartment owners submit in writing.

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## THE KARNATAKA APARTMENT (OWNERSHIP AND MANAGEMENT) BILL, 2025 – SALIENT FEATURES

### **Appellate Authority:**

- **First Appellate Authority:** officer of local authority or planning authority or officer supervising the functions of local authority not below the rank of Group A (Junior scale). Appeal to be disposed in 90 days.
- **Second Appellate Authority:** officer of local authority or planning authority or officer supervising the functions of local authority not below the rank of Group A (Senior scale). Appeal to be disposed in 30 days.
- **State Consultation and Advisory Committee:** Apex committee at State level consisting of representative from apartment owners associations / federation and officers of State Govt. and chairman appointed by Govt.



**THANK YOU**