

Encroachment Fees

Case Study: Tadepalligudem, Andhra Pradesh





Encroachment fee refers to a charge or penalty imposed by authorities **for unauthorized occupation or use of public or private land, property, or infrastructure**, aiming to discourage such activities and uphold the principles of lawful land use and property ownership.

Encroachment Fees - The case of Tadepalligudem, Andhra Pradesh

Overview

These kinds of fees are also levied as part of encroachment of road by property owners for the purpose of dumping of building materials on the roadsides during construction activities on site.

In Tadepalligudem **compounding fee, encroachment fee, and penalisation charges** under building penalisation scheme for regularisation of unauthorised development.

Legal Basis

Reference Section of the Act

Section 344(2) & 351 of **AP Municipalities Act, 1965** and the rates for the same are mentioned in GO No. 123/09/2013 dated 30/09/2013 for Tadepalligudem municipality.

Who levies the charges?

Tadepalligudem municipality levies the charges on area-based system.

Collection from Encroachment fees

The encroachment fee (in INR lakh) collected by Tadepalligudem municipality between FY12 and FY16 is shown in table below:

Actuals	FY12	FY13	FY14	FY15	FY16	CAGR
Encroachment fee (in INR lakh)	1.01	2.33	8.13	10.98	8.60	71%

Table- Encroachment fees collected by Tadepalligudem municipality

Over the years, the encroachment fees collected by Tadepalligudem municipality has been increasing at a robust CAGR of 71%, though it comprises of a very small proportion of the revenue income.

Applicable Rates

Encroachment fees (in INR)			
1	For granting licence for construction of building within street alignment or building line (per annum)	1 sq m	200
2	For granting licence for any door, gate bar of ground floor window to open outward upon any street (per annum)	1 sq m	400
3	Grant of licence to owner or occupier of any premises to put up varandha, Eyes weather frames, balconies, sunshades and the like over the street (per annum)	1 sq m	200
4	Grant of licence to construct any step or drain covering necessary to access to the premises (per annum)	1 sq m	200
5	Grant of license for temporary erection of pandals and other structures in a street or public place (per month)	10 sq m per part	75
6	a) Bunks temporary sheds stalls shops plots, etc. for commercial use	1 sq m	200
	b) For erection of advertisement hoardings/ boards	10 sq m per part	150
7	For grant of licence to make hole or obstruction in any street (per week)	for each	150
8	For grant of licence for storing buildings materials/ debris removal charges	LS	
	i) Up to 200 sq m of plot area		2000
	ii) Above 200 sq m to 500 sq m of plot area		2500
	iii) Above 500 sq m of plot area		3000
	iv) High rise buildings		3500

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