



KARNATAKA LEGISLATIVE COUNCIL
ONE HUNDRED AND FIFTY SEVENTH SESSION
THE KARNATAKA RENT (AMENDMENT) BILL, 2025
(LA Bill No. 67 of 2025)
(As passed by the Karnataka Legislative Assembly)

A Bill further to amend the Karnataka Rent Act, 1999.

Whereas it is expedient further to amend the Karnataka Rent Act, 1999 (Karnataka Act 34 of 2001) for decriminalising and rationalising offences to enhance trust-based governance for ease of living and doing business and for the purposes hereinafter appearing;

Be it enacted by the Karnataka State Legislature in the seventy sixth year of the Republic of India as follows, namely:-

1. Short title and commencement.- (1) This Act may be called the Karnataka Rent(Amendment) Act, 2025.

(2) It shall come into force at once.

2. Amendment of section 24.- In the Karnataka Rent Act, 1999 (Karnataka Act 34 of 2001)(hereinafter referred to as the Principal Act), in section 24, after sub-section (1), the following sub-section shall be inserted, namely:-

“(1-A) The controller shall have powers as adjudicating officer for the purpose of determining penalties under section 54, as provided.”

3. Omission of section 53.-Section 53 of the Principal Act shall be omitted.

4. Amendment of section 54.-In the Principal Act, in section 54,-

(i) the existing provision shall numbered as sub -section (1);

(ii) after sub-section (1), as so numbered,-

(a) in clause (i), for the words, “shall on conviction be punishable with fine upto two thousand rupees or with simple imprisonment for a term upto one month or with both and shall also be liable to fine of rupees five hundred,” the words “shall be liable to penalty upto two thousand rupees and shall also be liable to additional penalty of rupees five thousand”, shall be substituted;

(b) in clause (ii), for the words “he shall on conviction be punishable with fine which may extend to a sum which exceeds the unlawful charges claimed or received by two thousand five hundred rupees or with simple imprisonment for a term upto one month or with both” the words “he shall be liable to penalty which may extend to a sum which exceeds the unlawful charges claimed or received by twenty thousand rupees”, shall be substituted;

(c) in clause (iii),-

- (a) in sub-clause (a), for the words “on conviction be punishable with fine upto two thousand rupees or with simple imprisonment for a term upto one month or with both, and shall also be liable to fine of rupees two thousand” the words “be liable to penalty upto two thousand rupees and shall also be liable to fine of rupees twenty thousand” shall be substituted;
- (b) in sub-clause (b), the words “on conviction be punishable with fine upto one thousand rupees or with simple imprisonment for a term upto one month or both and shall also be liable to fine of rupees two hundred” the words “be liable to penalty upto one thousand rupees and shall also be liable to penalty of rupees two thousand”, shall be substituted; and
- (c) in sub-clause (c), the words “on conviction be punishable with a fine upto two thousand rupees or with simple imprisonment for a term upto on minimum with both, and shall also be liable to fine of two hundred rupees” the words “be liable to penalty upto two thousand rupees and shall also be liable to penalty of two thousand rupees”, shall be substituted.
- (d) in clause (iv), for the words “he shall be punishable with fine which may extend to five thousand rupees”, the words “ he shall be liable to penalty which may extend to fifty thousand rupees”, shall be substituted;
- (e) in clause (v), for the words “on conviction be punishable with fine which may extend to five thousand rupees, or double the rent receivable for a period of three months in case it has been relet, whichever is more, or with imprisonment for a term upto one month or with both” the words “be liable to penalty which may extend to fifty thousand rupees, or double the rent receivable for a period of three months in case it has been relet, whichever is more”, shall be substituted;
- (f) in clause (vi), for the words “he shall on conviction be punishable with fine upto three thousand rupees or with simple imprisonment for a term upto one month or with both”, the words “shall be liable to penalty upto thirty thousand rupees”, shall be substituted;
- (g) in clause (vii), for the words “shall on conviction be punishable fine which may extend to five thousand rupees, or double the rent the landlord receives after re-letting whichever is more, or imprisonment which may extend upto one month or with both”, the words “shall be liable to penalty which may extend to fifty thousand rupees, or double the rent the landlord receives after re-letting whichever is more”, shall be substituted;

- (h) in clause (ix), for the words “or with upto one month’s imprisonment, or with both, and shall also be liable to fine of one hundred rupees” the words “and shall also be liable to penalty of one thousand rupees”, shall be substituted; and
- (i) in clause (x), for the words “fine upto one thousand rupees or with imprisonment for a term upto one month or with both” the words “penalty upto ten thousand rupees” shall be substituted.
- (iii) after sub-section (1), as so renumbered and amended the following new sub-section shall be inserted, namely :-
“(2) The penalties provided under sub-section (1) shall be increased by ten percent of the minimum amount of penalty in such manner as may be prescribed after the expiry of every three years from the date of commencement of the Karnataka Rent (Amendment) Act, 2025.”

5. Amendment of section 55.- In the Principal Act, in section 55 , -

- (i) in the Heading for the word “Offences”, the word “Contraventions”, shall be substituted;
- (ii) in sub-section (1),
 - (a) for the words “where an offence”, the words “where a contravention”, shall be substituted; and
 - (b) for the words “the commission of the offence”, the words “such contravention”, shall be substituted.
- (c) for the existing proviso, the following shall be substituted, namely :-
“Provided that, nothing contained in this sub-section shall render any such person liable to any penalty if he proves that the contravention was without his knowledge or that he exercised all due diligence to prevent such contraventions.”
- (iii) for sub-section (2), except the Explanation the following shall be substituted, namely:-
“(2) Notwithstanding anything contained in sub-section (1), where contraventions under this Act has been done with the consent or connivance of, or that contraventions is attributable to any neglect on the part of any director, manager, secretary or other officer such Director, manager, Secretary or other officer shall also be deemed to be liable for such action and shall be liable to pay penalty.”

STATEMENT OF OBJECTS AND REASONS
As appended to at the time of introduction)

It is considered necessary further to amend the Karnataka Rent Act, 1999 (Karnataka Act 34 of 2001), to achieve the principle of “Minimum Government Maximum Governance” by decriminalization of minor offences and rationalisation of monetary penalties as envisaged in the Jan Vishwas (Amendment of provisions) Act, 2023 (Central Act 18 of 2023).

Hence, the Bill.

FINANCIAL MEMORANDUM

There is no extra expenditure involved in the proposed measures.

KRISHNA BYREGOWDA
Minister for Revenue

K.R. MAHALAKSHMI
Secretary
Karnataka Legislative Council

ANNEXURE
EXTRACT FROM THE KARNATAKA RENT ACT, 1999
(KARNATAKA ACT 34 OF 2001)

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24. Powers of Controller.- (1) The Controller shall have the same powers as are vested in a Civil Court under the Code of Civil Procedure, 1908 (Central Act 5 of 1908), in respect of the following matters, namely:-

- (a) proof of facts by affidavit;
- (b) summoning and enforcing attendance of any person and examining him on oath;
- (c) discovery and production of documents;
- (d) issuing commission for local inspection and for the examination of witnesses.

(2) For the purposes of holding an enquiry or discharging any duty under this Act, the Controller may,-

(a) after giving not less than twenty-four hours, notice in writing enter and inspect or authorise any officer subordinate to him to enter and inspect any premises at any time between sunrise and sunset; or

(b) by written order, require any person to produce for his inspection all such accounts books or other documents relevant to the inquiry at such time and at such place as may be specified in the order.

(3) The Controller may, if he thinks fit, appoint one or more persons having special knowledge of the matter under consideration as an assessor to advise him in the proceeding before him.

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53. Cognizance of offences and Power to prosecute.- (1) No Court inferior to that of a Judicial Magistrate of the First Class shall take cognizance of any offence punishable under this Act.

2) All offences under the Act shall be bailable and non-cognizable.

(3) The Controller or any other officer authorised by the State Government in this behalf may prosecute any person for contravention of any of the provisions of this Act or the rules made thereunder.

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54. Offences and penalties.- Without prejudice to any other action that may be taken to enforce the regulation or this Act,-

(i) If any landlord or tenant fails to present copy of the lease agreement for registration as required under clauses (a) or (b) of sub-section (3) of section 4 or fails to file the particulars as required under the proviso thereto, he shall on conviction be punishable with fine upto two thousand rupees or with simple imprisonment for a term upto one month or with both and shall also be liable to fine of rupees five hundred for each day of continuing default till the agreement is presented or as the case may be particulars furnished ;

(ii) If any person contravenes the provisions of section 11, he shall on conviction be punishable with fine which may extend to a sum which exceeds the unlawful charges

claimed or received by two thousand five hundred rupees or with simple imprisonment for a term upto one month or with both ;

(iii) Every middleman or Estate agent who.-

(a) fails to register his name in contravention of sub-section (1) of section 20 shall on conviction be punishable with fine upto two thousand rupees or with simple imprisonment for a term upto one month or with both, and shall also be liable to fine of rupees two thousand for each day of continuing default till he complies with the law ;

(b) fails to submit statements as required under sub-section (1) of section 21 shall on conviction be punishable with fine upto one thousand rupees or with simple imprisonment for a term upto one month or both and shall also be liable to fine of rupees two hundred for each day of continuing default till the statement is filed ;

(c) fails to file returns as required under sub-section (2) of section 21 shall on conviction be punishable with a fine upto two thousand rupees or with simple imprisonment for a term upto on minimum with both, and shall also be liable to fine of two hundred rupees for each day of continuing default till the returns are filed ;

(iv) If any tenant sub-lets, assigns or otherwise parts with the possession of, the whole or part of any premises in contravention of the provisions of clause (b) of sub-section (2) of section 27 he shall be punishable with fine which may extend to five thousand rupees, or double the rent received by the tenant for subletting for every month till such time the cause of complaint ceases, whichever is more or with imprisonment for a term upto one month, or with both ;

(v) If any landlord makes a false statement in his affidavit under item (i) of explanation I to clause (r) of sub-section (2) of section 27, he shall on conviction be punishable with fine which may extend to five thousand rupees, or double the rent receivable for a period of three months in case it has been relet, whichever is more, or with imprisonment for a term upto one month or with both ;

(vi) If any landlord claims or receives the payment of any sum as premium or puggree or other consideration in contravention of sub-section (2) of section 32, he shall on conviction be punishable with fine upto three thousand rupees or with simple imprisonment for a term upto one month or with both ;

(vii) If any landlord relets the whole or any part of any premises in contravention of subsection (1) of section 35, he shall on conviction be punishable with fine which may extend to five thousand rupees, or double the rent the landlord receives after re-letting whichever is more, or imprisonment which may extend upto one month or with both.

Explanation.- For the purpose of this clause and clause (iv) in cases where it is difficult to prove the rent which the landlord or the tenant as the case may be, is receiving after reletting or sub-letting, the fine may extend to five thousand rupees ;

(viii) If any tenant without reasonable excuse, fails to make re-entry under sub-section (2) of section 36 within three months from the date of the completion of repairs or building or re-building, as the case may be, intimated in writing by the landlord without reasonable excuse, he shall forfeit his right to re-entry and shall on conviction be punishable with fine equivalent to three month"s rent of the premises ;

(ix) If any landlord or tenant contravenes the provisions of sub-section (1) of section 49, he shall on conviction be punishable with fine equivalent in amount to the rent for three months or with upto one month"s imprisonment, or with both, and shall also be

liable to fine of one hundred rupees for each day of continuing default, commencing on the date of cutting off or withholding essential supply or service till the date the essential supply or service is restored.

(x) if any landlord or tenant fails to furnish particulars as required under section 52 he shall on conviction be punishable with fine upto one thousand rupees or with imprisonment for a term upto one month or with both.

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55. Offences by companies etc.- (1) Where an offence under this Act is committed by a company, the company, as well as every person in charge of, and responsible to, the company for the conduct of its business at the time of the commission of the offence shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly : Provided that, nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1) where an offence under this Act has been committed with the consent or connivance of, or that commission of the offence is attributable to any neglect on the part of any director, manager secretary or other officer such Director, Manager, Secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.- For the purpose of this section,-

(a) “ Company” means any body corporate and includes a firm or other association of individuals ; and

(b) “ director” in relation to a firm means a partner in the firm.

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