Plan before Repeal: Urban Land (Ceiling and Regulation) Act, 1976 and the Likely Impact of its Repeal on Urban Development in West Bengal

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Abstract: ***Parliament enacted the Urban Land (Ceiling and Regulation) Act, 1976, to curb the concentration of urban vacant land in private hands, check speculation, and enable equitable redistribution to house the urban poor. Using historical, legislative, comparative, and planning-policy analysis, this paper traces the Act's origins in the land-reform consensus of the 1950s-1970s, its statutory architecture, its two-decade implementation record, and its impact on urban development. The Act classified urban agglomerations into four population-based categories (A-D) with differentiated vacant-land ceilings; in West Bengal, Category A agglomerations such as Kolkata were subject to a ceiling of 500 square metres, while smaller categories faced correspondingly higher limits. Widely criticized for fostering litigation, corruption, and artificial land scarcity, Urban Land (Ceiling and Regulation) Act was repealed nationally in 1999, though West Bengal continued to retain and enforce it for nearly five decades, becoming by 2026 virtually the last major state where the law remained operative. Drawing on legislative and government sources and the documented experience of states that repealed ULCRA earlier, the paper examines the probable consequences of West Bengal's 2026 decision to scrap the Act for land assembly, real estate and industrial investment, urban planning, housing for the poor, and state revenue. It argues that while repeal is likely to ease land assembly and improve investment climate, realising these benefits without reproducing the speculative, environmental, and equity risks observed elsewhere will depend on complementary safeguards including affordable-housing mandates, protection of environmentally sensitive land, and orderly resolution of legacy litigation over already-vested parcels implemented alongside the repeal.***

Keywords: Urban Land (Ceiling and Regulation) Act (ULCRA); Urban planning; Repeal; Master Plan; West Bengal

1. Introduction

The question a planner asks

Urban land is simply a highly constrained and politically contentious input in urban development. That cannot be fabricated. Following the country's Independence, rapid urbanization, migration, and absence of organized housing markets led to overcrowding, slums, and speculation in urban land. Debates about policy-making in the early 1970s and later Five-Year Plans recognized the concentration of urban land in private hands as a principal obstacle to affordable housing and planning. As a response, parliament adopted the Urban Land (Ceiling and Regulation) Act, 1976, which affected, and, by most economists and planners, distorted, urban land markets for nearly fifty years. Literature usually treats Urban Land (Ceiling and Regulation) Act as an economic instrument: did the Act redistribute land, increase its price, or stimulate litigation and rent-seeking behavior? Though these are crucial economic concerns, architect-planners focus on another question: what kind of urban form did the Act produce? Restrictions regarding landholding influence parcel size, block pattern, street alignment, and the potential existence of shared infrastructure. There was little actual possession or redistribution for low-cost housing. From this perspective, the Urban Land (Ceiling and Regulation) Act 's effect is evident.

Three objectives are sought in this paper. The first is to revisit the history, drafting, and use of Urban Land (Ceiling and Regulation) Act as a spatial instrument, in which the redistributive law evolved into a subdivision code for the largest eastern Indian city. Second, it examines West Bengal's extraordinary decision to keep ULCRA until 2026 and places it in the context of earlier repeals elsewhere. More importantly, the central thesis advanced here is that reforms should follow a certain order. The preparation and notification of a statutory Master Plan with binding zoning and development control laws must precede repeal; otherwise, it is bound to lead to abuse of the opportunities opened up by such new land parcels. There is no need for delay in this case, but rather a need for an order, which is absent if the repeal precedes planning, leaving a dangerous gap of perhaps 18-36 months, during which time the most contentious land parcels will be purchased, divided, and developed, and the results cannot be undone thereafter by any planning law.

Historical background and the planning rationale

The notion of a limit on urban land ownership stemmed directly from the 1950s-70s consensus on land reform, which generated ceilings on agricultural landholdings through state land reform acts. The logic behind imposing limits on such resources in rural areas extended to urban areas as well, especially vacant land. Four factors served as catalysts, as listed in Table 1.

Table 1: Drivers of the 1976 ceiling legislation and their planning implications

Driver	Description	Implication for the planner
Housing shortage	Acute deficits and rapid slum growth in Mumbai, Delhi, Kolkata, Chennai and Bengaluru	Framed land as a quantity to be distributed rather than a fabric to be designed
Speculative withholding	Large vacant parcels held by individuals, trusts and companies while prices rose	Correctly identified the problem of the idle parcel, but addressed ownership rather than use
Plan doctrine	Fourth and Fifth Five-Year Plan emphasis on equitable distribution as social justice	Placed tenure reform ahead of spatial strategy in the policy hierarchy
Political moment	Emergency-era (1975-77) thrust toward direct state allocation of resources	Produced a national instrument with no corresponding national spatial framework

Since 'land' is a State subject as per List II, Entry 18 of the Seventh Schedule of the Constitution, the Union Government could not legislate on it directly. Some states used Article 252(1), which allows Parliament to make laws for states as well, to create uniform legislation. It started operating on 28 January 1976, the 'appointed date', in these states and all Union Territories. The Constitution also clarifies the problem faced while repealing it, because it was again done through states.

What is remarkable in terms of planning policy is that the Act attached nothing. No complementary duty was laid on the states to have or revise master plans for the sixty-four notified agglomerations; no complementary obligation was put in place of vesting land in a spatial plan before its disposal; no connection was made between the ceiling and the development control provisions that were already in force under state town-planning laws. The Act thus intervened in the supply of land without any use or destination of land.

2. Legislative architecture read as a spatial instrument

2.1 Objectives

Purpose of the Act

It is mentioned in the Preamble of the Act that the purpose of this act is to have a ceiling on the amount of vacant land in the urban agglomerations, to acquire land above that ceiling, to regulate construction of buildings thereon, and to prevent concentration of urban land in the hands of a few individuals and speculation and profiteering therein for ensuring an equitable distribution thereof sub-serving the common good (Government of India, 1976). Construction Regulation Clause in the Act.

2.2 Methodology

This paper uses a qualitative, document-based methodology that combines historical, legislative, comparative, and planning-policy analysis; it does not involve primary data collection or statistical estimation. Three categories of sources are examined: (i) primary legal and government material, including the text of Urban Land (Ceiling and Regulation) Act (1976) and the Repeal Act (1999), state government orders, the West Bengal Budget Speech (June 2026), and reported case law; (ii) documentary and institutional sources, including the Report of the National Commission on Urbanisation (1988) and prior World Bank/Economic Survey assessments cited in the secondary literature; and (iii) contemporaneous press and industry-body reporting (e.g., Business Standard, CREDAI statements) used specifically to document the 2026 West Bengal decision, for which no peer-reviewed literature yet exists. The comparator states discussed (Haryana, Punjab, Uttar Pradesh, Madhya Pradesh, Gujarat, Karnataka, Rajasthan, Maharashtra) were selected because they repealed Urban Land (Ceiling and Regulation) Act earliest (1999-2000) and have the longest documented post-repeal record, offering the most mature evidence base for retrospective comparison; states with partial or undocumented repeal histories were excluded. The study period spans 1976-2026, with the comparative evidence base concentrated in 1999-2020. Because West Bengal's repeal is prospective as of this writing, and the associated impact discussion is explicitly author-constructed planning scenarios, extrapolated from the documented comparator experience rather than measured outcomes, it should be read as illustrative projections rather than empirical findings.

1) Classification of agglomerations and ceiling limits

The Act sorted urban agglomerations into four categories by population and prescribed different ceilings on the vacant land an individual or family could hold.

Table 2: Categories of urban agglomeration and prescribed ceiling limits

Category	Population range	Illustrative agglomerations	Ceiling on vacant land	Approximate local measure
A	Above 10 lakh	Greater Mumbai, Kolkata, Delhi, Chennai	500 sq m	≈ 7.5 katha(Kolkata)
B	5-10 lakh	Mid-sized state capitals and industrial centres	1,000 sq m	≈ 15 katha
C	3-5 lakh	District headquarter towns	1,500 sq m	≈ 22.5 katha
D	1-3 lakh	Smaller municipal towns	2,000 sq m	≈ 30 katha

For a planner, the most important point in Table 2 is that the ceiling limit is calculated based on population, not the site itself. In the Kolkata conurbation, a 500 sqm figure held true whether it was a plot in Bowbazar, a plot on the border of the East Kolkata Wetlands, a plot within a jute mill compound in Howrah or even a plot in an outer mouza in Basanti Road. However, under planning practice, each scenario is different and requires a different set of calculations.

2) Mechanisms and their morphological consequences

Table 3: Statutory mechanisms and their observed spatial effects

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Mechanism	Statutory intent	Observed spatial effect
Statement of holding	Disclosure of vacant land above the ceiling	Incentive to under-declare, and to record fragmented ownership in advance of filing
Competent Authority determination	Draft and final statements of excess land, subject to objection and appeal	Multi-decade uncertainty over parcel status; parcels became legally unbuildable and physically neglected
Vesting and acquisition	Excess land vests in the state, compensation at a nominal statutory rate	Public land holdings accumulated without any disposal plan or land-use assignment
Exemptions (Sections 20 and 21)	Relief for housing schemes, cooperatives and industry	Discretionary, case-by-case approvals substituting for zoning; project-by-project urbanism
Penal provisions	Transfers and construction on excess land rendered void or penalised	Transactions driven into informal and benami channels; records diverged from reality on the ground

Together, Table 3 provides evidence of a regulatory regime in which a tax official concerned with excess area, not the planning authority operating under an approved plan, made the basic planning judgments about the amount, location, and grain of what was to be constructed. It is at this structural level that the entire paper hangs.

3) Implementation experience and critique, 1976-1999

The gap between what the Urban Land (Ceiling and Regulation) Act intended and what was achieved in practice over about two decades was very wide. There is remarkable consistency between official and academic studies in highlighting the same weaknesses in Urban Land (Ceiling and Regulation) Act, which may be summarised into six broad points:

a) Scarcity and price hikes. Large extents of land kept in litigation or in unutilised state custody reduced the supply of usable land and raised prices.
b) Litigation and delays. Determining excess land normally took around ten to twenty years through appeals and writ petitions, during which time the land went unused.
c) Corruption and rent seeking. Exemptions were granted at the discretion of the competent authorities, which made an exemption something that could be negotiated.
d) Redistribution did not take place. Even though the area vested was very large, there were no possession or redistribution in reality for low-cost housing.
e) Fragmentation and evasion. Owners' fragmented landholdings among family members or benami transfers led to unplanned fragmentation rather than development.
f) Obstruction to large-scale development. The ceiling existed before townships, industrial estates and software technology parks came to existence, thus hindering the very development that policy wanted.

The fourth point needs to be quantified as it forms the fulcrum of the entire assessment.

Figure 1 depicts the ratio between the amount of excess vacant land designated by the government and that which the government was able to acquire based on data released by the Press Information Bureau (2002). The government acquired less than nine per cent of the land marked as excess; of that, an even smaller percentage was used for low-cost housing projects.

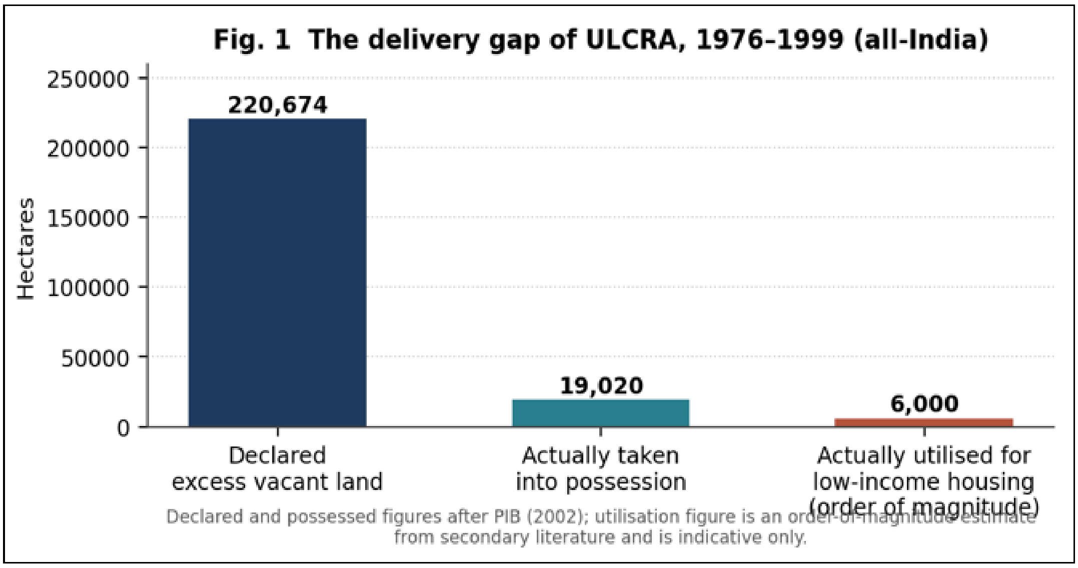

Figure 1: The delivery gap: declared excess vacant land versus land actually possessed and utilised, all-India, 1976-1999. Declared and possessed figures after Press Information Bureau (2002); the utilisation figure is an order-of-magnitude estimate drawn from secondary literature and should be treated as indicative.

A ratio of such magnitude is not the result of implementation failure, but rather design failure. It also serves as a clear reminder for today's context. The nine per cent that was vested is not insignificant - it constitutes hundreds of thousands of hectares of publicly owned urban land, much of which lies in strategically significant parcels. Such a resource is the most valuable planning resource the debate around repeal can generate, and it stands to be quietly squandered if repeal occurs before a plan is in place.

Table 4: Stated intent against realised outcome, 1976-1999

Objective in the Preamble	Instrument relied upon	Realised outcome
Prevent concentration of urban land	Numerical ceiling per holder	Concentration recorded as dispersed nominee holdings; effective control unchanged
Curb speculation and profiteering	Vesting of excess land at nominal compensation	Supply constrained; scarcity premium in prime locations increased
Equitable distribution for the common good	State acquisition and redistribution	Under 9 per cent of declared surplus possessed; redistribution largely unrealised
Regulate construction on vacant land	Prohibitions and penal provisions	Construction regulated by prohibition rather than by plan; informal building expanded

The Repeal Act of 1999 and the National picture

In response to this near-consensus and as part of the urban-reform agenda after the 1991 liberalisation, the Urban Land (Ceiling and Regulation) Repeal Act, 1999 was passed in Parliament and went into force on 11 January 1999 (Government of India, 1999). The Repeal Act became necessary in the first place because of the previous Urban Land (Ceiling and Regulation) Act that had been enacted by individual states under Article 252 of the Constitution.

The vast majority of states responded quickly. Haryana, Punjab, Uttar Pradesh, Madhya Pradesh, Gujarat, Karnataka and Rajasthan repealed the Act in 1999-2000, in anticipation of the role that land liberation would play in the urban expansion of the 2000s. Maharashtra adopted the repeal in November 2007. By the mid-2010s, there was only a handful of states that still had the Act to some extent, and by 2026, there remained just one major state - West Bengal. Figure 2 shows how repeal diffused.

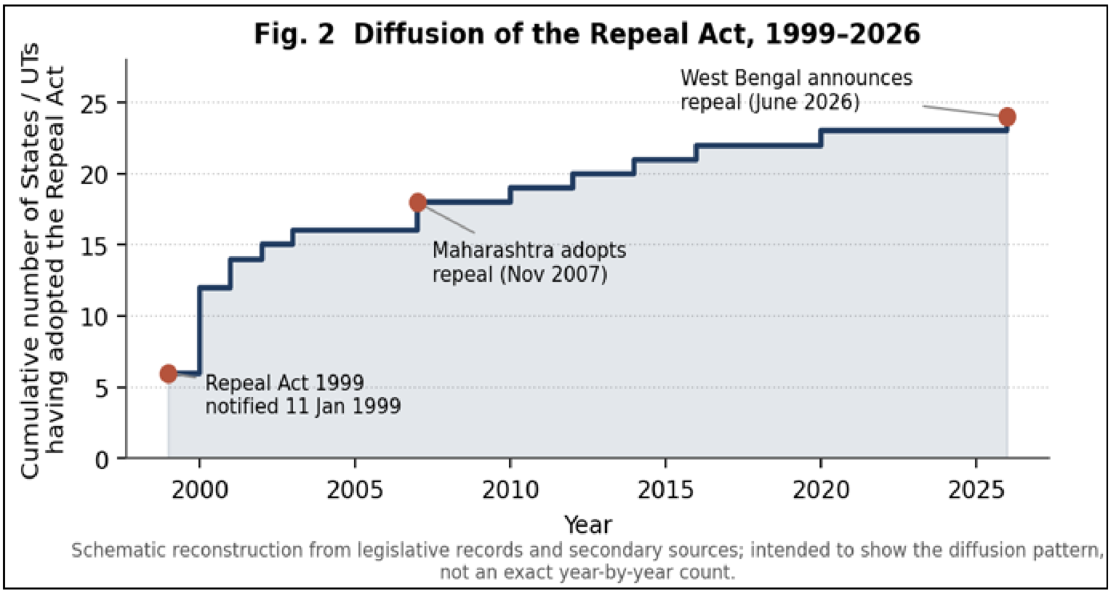

Figure 2: Diffusion of the Repeal Act, 1999-2026. Schematic reconstruction from legislative records and secondary sources; the curve illustrates the pattern of adoption rather than an exact year-by-year count.

Table 5: Indicative sequence of adoption of the Repeal Act by selected states

Phase	States (indicative)	Prevailing policy motivation
1999-2000 (first wave)	Haryana, Punjab, Uttar Pradesh, Madhya Pradesh, Gujarat, Karnataka, Rajasthan	Alignment with liberalisation; competition for housing and industrial investment
2001-2006 (second wave)	Several remaining states and Union Territories	Conditionality attached to central urban-reform programmes
2007	Maharashtra	Mill-land and metropolitan redevelopment pressure in Mumbai
2008-2024 (residual)	Remaining retaining states, progressively	Investment-climate and ease-of-doing-business considerations
2026	West Bengal (announced)	Unlocking developable land; removal of a cited investment bottleneck

The argument to come will need to observe what was included and excluded in the previous waves. In general, the repeal has been a separate piece of legislation. It has seldom gone hand in hand with revision of the metropolitan master plan, and even more rarely with its revision beforehand. Maharashtra is an exception, proving the rule: the redevelopment of Mumbai's mill lands has taken place under Development Control Regulation 58, and the protracted dispute over the calculation of the mill-land thirds vividly illustrates the result of such an arrangement.

Urban Land (Ceiling and Regulation) Act in West Bengal: a Five-Decade history

Urban Land (Ceiling and Regulation) Act was brought into effect in West Bengal along with the entire nation in 1976, and the Act has been in continuous operation since then, applicable to agglomerations such as Kolkata, Howrah, Asansol, Durgapur, and Siliguri with the Category-A ceiling area of 500 square metres or around seven and a half cottahs being applicable to Kolkata.

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a) The Left Front era, 1977-2011

Under successive Left Front governments, the Ceiling on Urban Land Tenure Act became a key part of the government's land reform policy, alongside the West Bengal Land Reforms Act of 1955 in agriculture. It was claimed that without this ceiling, urban land would again become concentrated in the hands of developers and the rich. There were attempts to repeal this Act sometime around 2006-07, apparently for industrial land acquisition after the episodes of Singur and Nandigram.

b) The Trinamool Congress era, 2011-2026

The Trinamool Congress regime that came to power in 2011 refused to repeal this Act, arguing that it remained valid under its pro-poor land policy and as a commitment made in the manifesto. Industrial lobby groups like CREDAI-Bengal, along with major investors, have repeatedly pointed out the same Act as the main hurdle to consolidating land for organized real estate and industry, as it led to fragmentation and small-scale land development below the 500 sq m mark.

c) Judicial engagement

Throughout the course of this period, the courts of the state were constantly involved in dealing with Urban Land (Ceiling and Regulation) Act cases related to issues such as whether certain plots could be classified as "vacant lands," the legality of buildings predating the appointed date, and the validity of competent-authority orders passed years ago (refer to, for instance, M/s K. C. Das Pvt. Ltd v. State of West Bengal, Calcutta High Court, 2017).

d) The morphological consequence

In respect of the architect planner, what will remain after fifty years of this legislation is not the threat of litigation but the urban fabric. In cases where the ceiling limit of 500 sqm holds and implementation is strong, the only rational way forward for the property owner is to either retain, dispose, or develop using sub-ceiling sizes. This leads to a development pattern where there will be a high concentration of individual and privately owned plots with no linkages; a pattern where a developer could construct a five-storey building on a two-and-a-half cottah plot with three feet set-backs, but a pattern where nobody could build a street, park, drainage line, or school grounds.

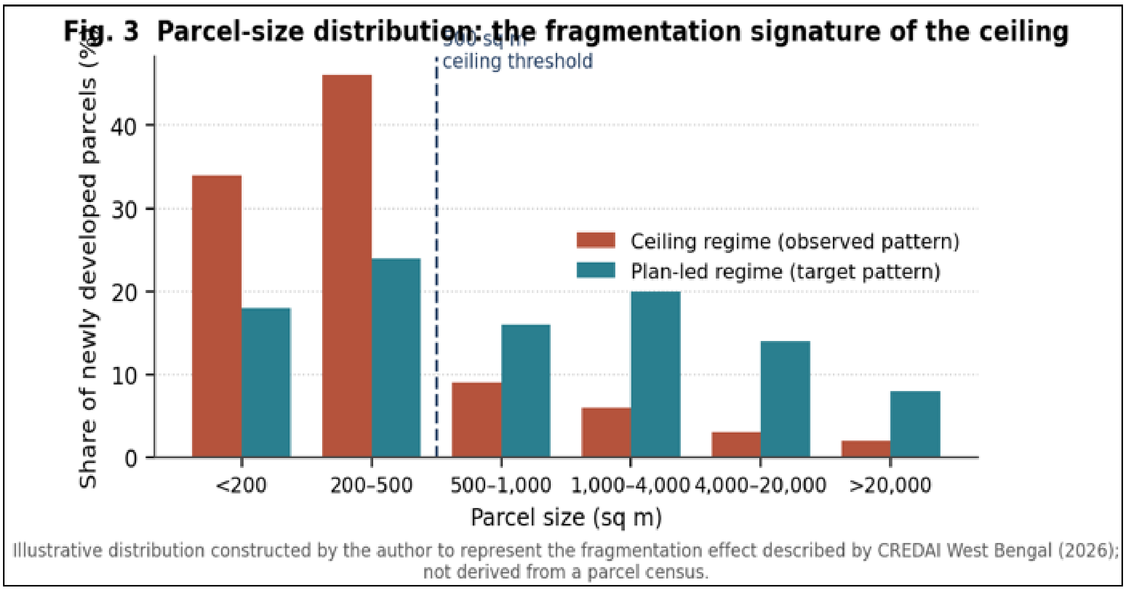

Figure 3: Parcel-size distribution under a binding ceiling regime compared with a plan-led target distribution. Illustrative distribution constructed by the author to represent the fragmentation effect described by CREDAI West Bengal (Business Standard, 2026); it is not derived from a parcel census.

Table 6: Typology of parcels immobilised or distorted by the ceiling in the Kolkata Metropolitan Area

Parcel type	Typical condition under the ceiling	Risk on repeal without a plan
Closed jute and engineering mill estates (Howrah, Hooghly, Titagarh belt)	Large contiguous holdings, part-vested, part-litigated, largely derelict	Immediate conversion to maximum-FAR residential without trunk infrastructure, riverfront access or heritage screening
Vested plots in state possession	Scattered, poorly recorded, frequently encroached	Ad hoc disposal or regularisation before any land-use assignment is made
Wetland and water-body margins (East Kolkata Wetlands, Bhangar, Rajarhat fringe)	Held below ceiling or in undivided shares; incremental filling	Rapid consolidation and filling of tanks and canals under a lawful transaction cover
Peri-urban agricultural fringe	Nominee-held sub-ceiling parcels awaiting conversion	Unserviced sprawl along arterial corridors ahead of any drainage or transit plan
Rail, canal and port-side edges	Ambiguous title, informal occupation	Displacement without a rehabilitation framework

Present Status, 2026: the decision to scrap the Act

However, by 2026, West Bengal was the only major state in the country wherein the clauses of the Urban Land (Ceiling and Regulation) Act were being followed, as was repeatedly stated by industry chambers and investors who believed that the same gave them an inferior edge compared to states that were actively wooing manufacturing and infrastructure investments.

After the change in government following the 2026 assembly elections, the finance minister, in the first budget of the new government presented on 22 June 2026, said Bengal was the only major state in the country where the urban land ceiling policy was still active. Four days later, at a business conclave held by the Bengal Chamber of Commerce & Industry's Delhi council, the finance minister reaffirmed his intention to repeal the Act, calling it a long-standing industry demand and a major roadblock to institutional investment (Business Standard, 2026; Swarajya, 2026).

Commentary from the industry side was no less strong. As per the President of CREDAI West Bengal, this ceiling act had pushed the process of organised urbanization back in the state by at least 25 years. Not only was the development not encouraged but the holdings had been divided into many 500 sq metre lots to circumvent this limit, resulting in the unorganized and unplanned development of large swathes of the city (Business Standard, 2026). Notably, this is a criticism of morphology, not finance, and it is being put forth by the industry, which is normally the beneficiary of deregulation. And while the diagnosis and the solution might appear similar- if deregulation is the problem, the solution too has to be deregulation - the opposite seems to be the case here.

By the middle of 2026 there were some major investment deals in place across sectors such as software and data centre infrastructure, petrochemicals, paints production and financial services, all of which had been made conditional upon the proposed new industrial policy and new land law. This indicates that investors have already been taking heed even before the new legislation and regulations have been finalized. This kind of responsiveness works to the advantage of the state, but also places pressure of time on the planning agency.

The Central Proposition: Prepare the Master Plan before repealing the Act

In this section, the main suggestion of the paper will be provided. The government must approach the repeal of Urban Land (Ceiling and Regulation) Act not as one legislative action but as a two-stage process where planning legislation comes first, followed by deregulation legislation. In practice, it means that the statutory Master Plan (or Perspective Plan and Development Plan respectively) for the Kolkata Metropolitan Area and other metropolitan areas affected by Urban Land (Ceiling and Regulation) Act must be prepared, objected to, sanctioned, and notified, along with the corresponding zoning and development control rules, before the Act repealing Urban Land (Ceiling and Regulation) Act is enforced.

a) Why sequence is the whole question

Above the ceiling, many strategically important parcels are now effectively frozen: mill properties, vested land, edges of wetlands, institutional surplus lands, and land locked in three decades worth of litigation. The ceiling didn't freeze these parcels through any form of deliberate planning, it simply froze them in their current status quo. With repeal, all of these parcels are now suddenly unfrozen at once. What happens next depends on the regulatory regime that exists at the time of unfreezing.

In the case of a sanctioned plan being in effect, the land that becomes available through the repeal process falls into an existing system which has already identified the parcels which should be used for employment uses, which for residential development, which are open space or wetlands, the routes of the trunk infrastructure, and what the FAR, Ground Coverage, and Setback requirements should be. Land aggregation becomes part of implementing the plan. Without such a plan, the land becomes available in a vacuum, and the first-mover advantage goes to the party that can act most quickly. Practically speaking, this means that the parcels which have the least amount of public value associated with them - the fillable tank, the uncertain vested property, the encroached canal edge, are the first to get sold.

This is an essential point that bears repeating: Land use decisions are essentially irreversible over a human generation; legislative decisions, by contrast, are reversible within a session. A delay of eighteen months in enacting a repeal means a few lost years of investment for the state. An eighteen-month mistake in allocation of a metro region means fifty years. What the planner must advise, then, is that the repeal not be resisted but be made second, not first.

b) The legal basis already exists

The point here is that implementing this recommendation does not need any further legislative backing. West Bengal has an entire legal planning system under the West Bengal Town and Country (Planning and Development) Act of 1979, which includes provisions for planning areas, planning authorities, perspective plans, development plans, land use and development control plans and the process of draft publication, objections, hearings and sanctioning. The planning authority for the Kolkata Metropolitan Area is the Kolkata Metropolitan Development Authority and the municipal building regulations are in place under the Kolkata Municipal Corporation Act of 1980 and West Bengal Municipal Act of 1993. All that is required is an up-to-date plan sanctioned under regulations that carry the weight.

c) Contents of the pre-repeal planning package

Table 7 lists the bare minimum set of provisions, in this writer's opinion, which should be in place by the time the repealing Act comes into effect. The selection deliberately covers only what is essential to prevent misuse, rather than forming a comprehensive metro plan-making program.

Table 7: Minimum pre-repeal planning package

Component	What it must contain	Why it must precede repeal

Land and parcel audit	Digital cadastre of all vested, litigated, exempted and mill-estate parcels above 500 sq m, with title status, occupancy and encroachment recorded	Once released, ownership will change rapidly; the pre-repeal record is the only reliable baseline
Statutory land-use plan	Sanctioned land-use and development-control plan for the KMA and each affected agglomeration, at parcel-referenced scale in priority areas	Determines what released land may be used for, before the market determines it by default
Protected-area overlay	Non-negotiable no-development and restricted-development zones: East Kolkata Wetlands, water bodies and tanks, canal and river margins, heritage precincts, flood-retention areas	Filling and conversion are irreversible and are the fastest-moving forms of misutilisation
Infrastructure staging plan	Phasing of trunk water supply, sewerage, drainage, arterial roads and mass transit, tied to development-permission sequencing	Prevents approval of density in unserviced locations, the classic post-repeal failure
Development-control regulations	Location-specific FAR, ground coverage, minimum plot and amalgamation rules, mandatory internal road and open-space contributions above threshold sizes	Replaces the ceiling's crude size rule with a calibrated spatial rule
Affordable-housing instrument	Inclusionary requirement or in-lieu contribution on large schemes; a designated land bank drawn from vested parcels	The equity rationale for the ceiling must be transferred to a functioning instrument, not simply abandoned
Rehabilitation framework	Survey and entitlement framework for occupants of vested and mill-estate land	Displacement pressure begins on announcement, not on notification

d) The vested-land register: the reform's most valuable asset

Of the seven elements, the first one is also the most pressing and the most frequently ignored. Once the state had vested any piece of land before the repeal, it shall not be returned to the original owner. The repeal legislation will not reverse any vesting process already completed legally. Thus, West Bengal will have at its disposal an important collection of urban lands that can only be located in relatively central areas, thanks to the decades of stagnating development.

This is the sole means by which the state can achieve the social objective that could not be achieved through the Urban Land (Ceiling and Regulation) Act- namely affordable housing, public spaces, schools, health care facilities and transit-oriented development sites - without buying a single piece of land. This is also the land collection that is most exposed to quiet depletion in the course of regulatory change through regularization of encroachments, transaction or disposal to the first buyer. Creation of a publicly accessible registry with every land designated for a certain use in the approved plan before the repeal will turn the liability into the main benefit from reform. See Table 8.

Table 8: Proposed disposition framework for vested and public parcels

Parcel category	Default designation	Disposal rule
Vested parcels above 2,000 sq m in serviced urban locations	Affordable and rental housing, or public facility	Not to be sold; developed on long lease with performance conditions
Vested parcels within wetland, water-body or flood-retention overlays	No-development; ecological restoration	Not disposable under any head; transferred to a conservation authority
Vested parcels adjoining transit stations or corridors	Transit-oriented mixed use with mandatory affordable component	Competitive tender against a design brief drawn from the sanctioned plan
Mill-estate land under mixed public and private title	Employment-led mixed use with mandatory open space and public access	Negotiated redevelopment under a plan-prescribed apportionment of area

e) Instruments that should replace the ceiling

The Act aimed to accomplish four goals: restrict concentration, prevent idle holding, collect unearned increment for the community, and ensure the land is available for affordable housing. Each of these goals can be achieved through a conventional planning tool, and the change is realistic only if these tools are informed along with the plan instead of being promised in the future.

Table 9: Objectives of the ceiling and the planning instruments that should replace it

Objective of ULCRA	Replacement instrument	Design note
Limit concentration of holdings	Zoning, minimum and maximum plot sizes, amalgamation rules, competition and disclosure requirements in large land transactions	Regulates use and grain rather than ownership quantum
Discourage speculative idle holding	Graduated vacant-land tax and time-bound development conditions in permissions and leases	Penalises idleness directly; the ceiling penalised size, which is not the same thing
Capture unearned increment	Betterment levy, impact fees, premium-FAR charges, value capture along transit corridors	Funds the trunk infrastructure that repeal will make necessary
Secure land for lower-income housing	Inclusionary housing requirement, in-lieu contributions, vested-land housing bank, rental housing schemes	Converts a redistributive claim into a deliverable supply obligation
Prevent haphazard sub-division	Layout and sub-division regulations with mandatory internal streets, open space and utility corridors above threshold size	Directly addresses the fragmentation the ceiling itself caused

f) An indicative sequencing programme

The timeline in Figure 4 suggests that the repealing act comes into force roughly twenty-seven months after a decision-inprinciple has been made, starting right away on auditing and interim directions, and having the plan approved about six to nine months before repeal. The timeline is indicative; what matters is the order of the bars, not their exact lengths.

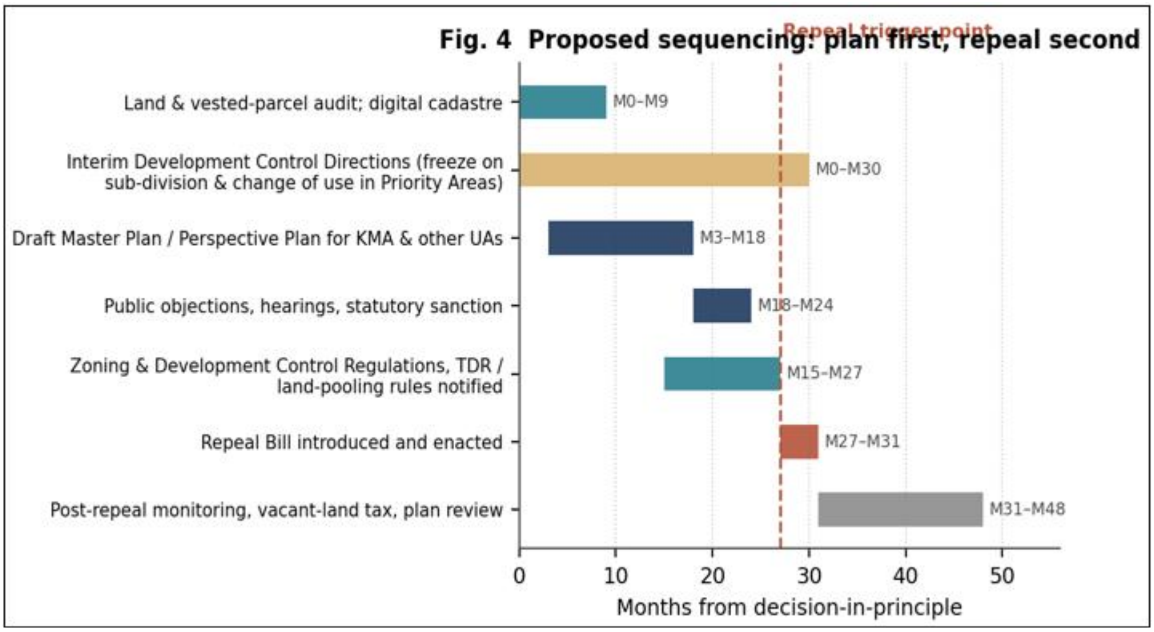

Figure 4: Proposed sequencing of planning and repeal activities. Prepared by the author. The critical relationship is that plan sanction and development-control notification both precede the repeal trigger point

g) The interim regulatory bridge

Between plan notification and the repeal announcement, markets cannot help but act despite the state's intent, because the announcement itself is a market signal and has already been made. A transitional regime is thus essential and should be narrowly designed, clear, and temporally bound to ensure that it is not another discretionary regime like that created by the ceiling. The following four elements are recommended.

- A limited period moratorium on sub-division, reclassification and filling within designated Priority Planning Areas - the mill belt, the wetland fringe, the transit corridors and the vested-parcel clusters, issued through existing planning and wetlands legislation, and lapsing automatically upon the sanctioning of the plan.
- Mandatory registration and disclosure of all transactions above a threshold area in those Priority Planning Areas to create a clear record of who is building what in the transition.
- No disposals, exchanges or regularization of vested parcels until the register is published and the land use is assigned.
- Early publication of the draft plan for objections to ensure that the market knows what the state intends spatially well in advance of its legal permissions.

None of these actions revives the ceiling, and none hinders the repeal. They serve merely to guarantee that the period between announcement and plan is not the time during which the strategic land that remains in the metropolitan area is assigned by default.

Comparative lessons from Repealing States

Because most states repealed their policies between 1999 and the mid-2010s, this provides a relatively mature base for predicting West Bengal's future course. Table 10 shows the five most pertinent findings for sequencing purposes.

Table 10: Post-repeal experience in earlier repealing states and the implication for West Bengal

Finding	Evidence from repealing states	Implication for West Bengal
Land assembly improved materially	Haryana, Karnataka, Gujarat and Maharashtra reported easier assembly of contiguous parcels for IT parks, SEZs, townships and industrial corridors	The principal benefit of repeal is real and should be expected
Price effects were mixed and location-specific	Short-run appreciation where dormant holdings entered active circulation; moderation over the longer run where supply genuinely expanded	Prime Kolkata and fringe corridors will behave differently; monitoring must be spatially disaggregated
Litigation overhang persisted	Legacy disputes over pre-repeal vested land continued for years, since repeal did not undo completed vesting	A dedicated disposal mechanism for legacy cases should be established alongside repeal
Housing-for-the-poor outcomes were ambiguous	Repeal alone did not improve affordable supply; outcomes depended on inclusionary zoning, FAR incentives and dedicated schemes	The affordable-housing instrument must be notified with the plan, not after
Administrative simplification was achieved	Reduction in discretionary exemption processes and faster clearances	Redeploy the released administrative capacity into plan enforcement, not merely retire it

Finding four best defends the plan-before-repeal position, while finding three is the one most frequently overlooked. Neither argues for or against repeal, but for what must accompany it.

3. Probable Impact of Repeal on Development in West Bengal

1) Land assembly and industrial investment

The obvious immediate consequence will be greater ease of assembling large, continuous chunks of land for industrial parks, logistics facilities, data centers, and integrated towns without resorting to many exemption applications or artificially splitting plots among various nominees. Given that several major investors have already aligned their projects with this change, repealing this law will facilitate implementation of their pending projects around Kolkata, Durgapur, Asansol, and the envisaged industrial corridors. It is not the job of the planner to hinder this process but to channelize it - and a sanctioned plan will allow the government to do this quickly in the right places.

2) Real estate and urban redevelopment

Repeal will allow redevelopment of large derelict or suboptimal-use industrial and institutional sites in and around Kolkata that have been frozen for decades because of litigation or fragmentation due to ceilings. It all comes down to whether amalgamation is done along with conditions like an internal road network, green open spaces, drainage infrastructure, and access rights. If amalgamation is done without imposing such conditions, it will lead to super-gated blocks, i.e., a fragmented city in larger form.

3) Land and real estate prices

In the short-term, there would be a tendency for prices of prime land that has been released from ceiling price controls to appreciate, due to the fact that unused land will suddenly have demands for its usage, coupled with the possibility of speculative purchases as people look for more development opportunities. In the medium term, however, any price appreciation could be tempered by the release of additional serviced land into the market. The important consideration here is not the amount of land being released, but the amount of serviced land being released.

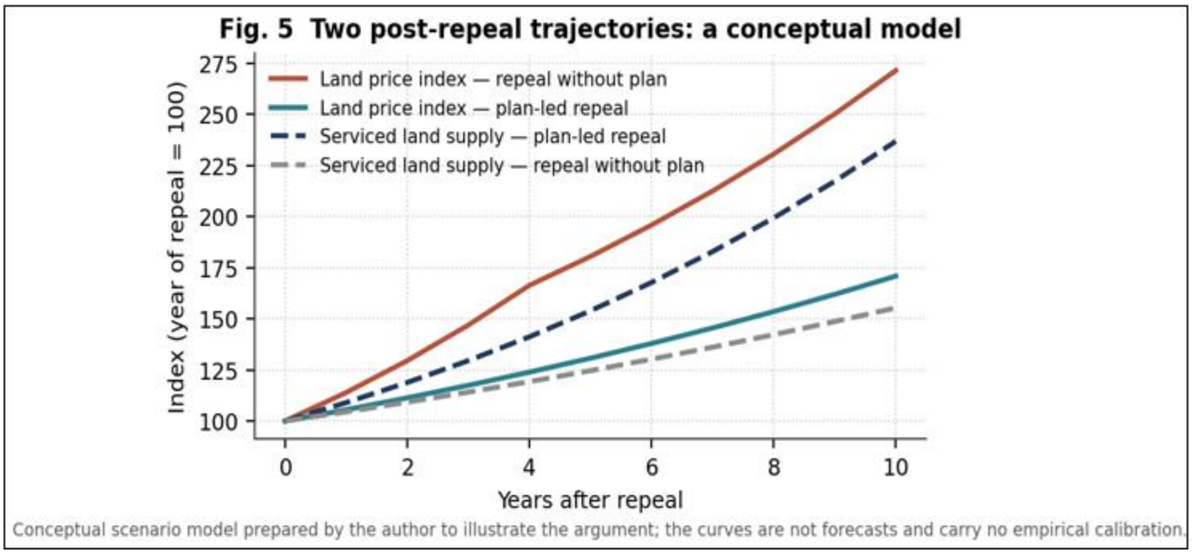

Figure 5: Two post-repeal trajectories: a conceptual model contrasting plan-led repeal with repeal alone. Prepared by the author to illustrate the argument; the curves are not forecasts and carry no empirical calibration

4) Fiscal position and investor confidence

There have been admissions of fiscal cost implications in the short term but with confidence in medium-term benefits resulting from the stamp duty, registration fees, and overall economic activities. Plan-led processes provide more support for the above scenario because betterment charges, premium FAR charges, and transit value capture can be collected only if there is a plan which has created and documented the value increment. Deregulation will transfer the value increment to land owners, but deregulation with plan participation will share it. It also removes a major weakness of the state's land law and simplifies the due-diligence process in large deals, which investors will view as a level of permissiveness.

5) Urban planning and infrastructure

With larger contiguous sites becoming available, planning authorities can, for the first time in half a century, make infrastructure requirements an explicit part of the large-format approval process. This is the biggest planning gain made possible by repeal, but it depends entirely on the regulation specifying what can be required; without a plan, the authority has no justification for the requirement.

6) Housing for lower-income groups

This is where the greatest uncertainty persists. The initial rationale behind retention in West Bengal was the need to secure access to land for the poor. Repealing the law removes the ceiling provision but does not replace it with any system. This will depend on whether or not inclusionary mandates, the creation of a housing bank for vested land, rental housing schemes and enhanced tenancy legislation are announced at the same time as repealing the act.

4. Risks, Safeguards and the Monitoring framework

Table 11 sets out the principal transition risks, the safeguard proposed against each, and a measurable indicator by which the state and the public can judge whether the safeguard is working.

Table 11: Transition risks, safeguards and monitoring indicators

Risk	Safeguard	Monitoring indicator
Speculative re-accumulation of land banks	Graduated vacant-land tax; time-bound development conditions in permissions	Share of permitted large parcels not commenced within three years
Filling of tanks, canals and wetland margins	Statutory overlay with penal restoration; interim moratorium in Priority Areas	Annual change in water-body area from satellite imagery, published
Displacement of occupants of vested and mill land	Pre-repeal occupancy survey; entitlement framework notified with the plan	Number of households surveyed and rehoused against number displaced
Dissipation of the vested-land portfolio	Published register; standstill on disposal until land-use designations assigned	Hectares of vested land retained and designated, reported annually
Legacy litigation continuing to sterilise land	Dedicated disposal mechanism and settlement scheme for pre-repeal cases	Median age and number of pending ULCRA-related cases
Loss of affordable land access	Inclusionary requirement or in-lieu contribution notified with the plan	Affordable units approved and completed per year

Two characteristics are intended: each of the indicators is publishable, making the transition auditable by third parties rather than just the department performing the transition; and each of the safeguards has temporal or scope limitations, because the most convincing criticism of Urban Land (Ceiling and Regulation) Act, namely that the discretionary system was turned into a market for discretion, applies equally to any transitional system that outlives itself.

5. Recommendations

1) These recommendations stem from the findings and are directed towards the State Government, the Kolkata Metropolitan Development Authority and the local municipal authorities of the affected agglomerations.
2) Sequence the reform explicitly. Declare that the Act that repeals the old law shall come into effect on a certain date following the sanction of the land use and development control plan, and announce the said date.
3) Order the parcel audit right away. Finish the digitization of the cadastre of parcels vested, disputed, exempted and mill estates above the ceiling within nine months.
4) Issue interim directions in Priority Planning Areas based on existing laws pertaining to planning and wetlands, placing restrictions on sub-divisions, changes in land use, and filling operations. The directions shall expire automatically upon the sanctioning of the plan.
5) Draw up and sanction the land use and development control plan for the KMA and other affected agglomerations as per the West Bengal Town and Country (Planning and Development) Act, 1979.
6) Notice separately and first the protected area overlay, applying to the East Kolkata Wetlands, recorded water bodies, canal and river boundaries, flood retention zones and heritage conservation zones, and set up the vested land facilities and housing bank, with an official registry and a moratorium on disposals until designations are made.
7) Substitute the new ceiling instrument, which is the set of tools provided in Table 9, vacant land tax, betterment levy, inclusionary housing, and sub-division regulation, simultaneously with the plan and not on a deferred basis.
8) Set up a legacy litigation mechanism, and use the Competent Authority establishment in plan enforcement, keeping the parcel histories knowledge gained through this process.
9) Disclose the monitoring indicators, as presented in Table 11, annually for at least ten years.

6. Conclusion

The Urban Land (Ceiling and Regulation) Act, 1976 emerged from a period in which direct controls over land ownership were regarded as an important means of pursuing urban equity, at a time when planned housing markets were underdeveloped. Experience over the subsequent decades, however, indicates substantial difficulties involving litigation, fragmented holdings, constrained land assembly, corruption in the exemption process, and limited achievement of the Act's redistributive objectives difficulties that contributed to its national repeal in 1999. West Bengal's nearly five-decade retention of the Act reflected a distinct political commitment to land-reform continuity, but increasingly placed the state at a competitive disadvantage as every other major state moved to a post-ceiling land regime. The state's 2026 decision to scrap the Act therefore creates an important opportunity for urban reform, easing land assembly for industry and real estate and unlocking long-frozen parcels for organised redevelopment. Repeal alone, however, cannot provide the spatial framework needed to manage newly developable land. From an urban-planning perspective, the central requirement is appropriate sequencing: statutory land-use planning, development-control regulations, environmental and wetland safeguards, infrastructure-staging provisions, and a transparent, verified register of vested land should be established before repeal becomes effective. This sequencing would allow land assembly and investment to proceed while protecting public assets, environmentally sensitive land, and lower-income residents from displacement, and while reducing the risk of unplanned, speculative conversion. Planning before repeal should therefore be understood not as an obstacle to reform, but as the means by which the benefits of repeal are realised as coherent and equitable urban development, rather than as a repetition, in a different form, of the fragmentation and uncertainty the original Act was meant to prevent.

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