

**GOVERNMENT OF RAJASTHAN**  
**(Department of Tourism)**

**NEW HOTEL POLICY 2006**

The Tourism Policy of Rajasthan 2001 envisages creation of adequate and suitable infrastructure like accommodation, transport, communication links and other essential amenities. Although, Tourism Policy 2001 has identified provision of suitable accommodation for various categories of tourists as the most crucial component of tourism, however, the growth of hotel industry in Rajasthan has been dismal during the last five years. The rapid increase of tourist inflow in the State has thrown up an immediate requirement for accommodation facilities in all categories. With a view to bridging the gap between current demand and supply of hotel accommodation in Rajasthan and in view of the projected growth of tourism in the coming decade a new Hotel Policy 2006 has been announced by the State Government in June 2006. The provisions of concessions & facilities on the New Hotel Policy would apply only to new Hotels & accommodation units.

**THE NEW HOTEL POLICY 2006 - PROVISIONS: -**

1. State Government shall ensure easy availability of suitable lands for development of Hotel/Accommodation infrastructure by taking following steps:-
  - (a) JDA/UITs/Municipal Bodies /Gram Panchayats and Collectors of each district shall identify and reserve adequate land (create land

bank for hotels) for setting up of hotels. Within this land Bank of hotels there shall be separate hotel land identified and reserved for the following categories of hotels namely (i) Budget hotels, 1/2/3 Star Hotels (ii) Mid-Market hotels (4 Star Hotels) (iii) Luxury hotels 5 Star / 5 Star deluxe & above.

(b) The land Bank so created shall be put on the Website of Department of Tourism and on individual Website of each of these bodies and on the website of the concerned District.

(c) The maximum land areas that can be provided to various categories of hotels shall be as follows:-

<b>HOTEL CATEGORY</b>	<b>MAXIMUM LAND AREA</b>
(i) Budget hotels (1/2/3 star)	1200 Sq. Mtr.
(ii) 4 Star Hotels	6000 Sq. Mtr.
(iii) 5 Star / 5 Star Deluxe Hotels and above categories.	Upto 18000 Sq. Mtr.

2.(a) In case of Local bodies as indicated at (1) (a), there will be special reserve price for all such lands identified and reserved under the Hotel land Bank. The special reserve price for Hotel and accommodation Units shall be 50% of the prevalent commercial reserve price applicable for the area where the land is situated. This special reserve price shall be the basic price for disposal of reserved hotel lands through the process of competitive bidding and allotment. These Local Bodies shall notify their special reserve price of various land identified for

Hotel Project on their Website and on the Website of Department of Tourism.

(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 hotel lands identified and reserved for this purpose through competitive bidding.

The Special reserve price for the hotel land put on sale/disposal shall also be indicated. This price shall be the basic price for disposal of land through competitive bidding.

In case there is only a single bidder in the bidding process the concerned Local Body may allot this land to the Single Bidder at the special reserve price fixed for that land.

(ii) An applicant, interested in any hotel land identified & reserved by the Local body, can apply for allotment of the land at Special Reserve Price. On receipt of such application, the Local body shall however notify through public advertisement. In case more applicants apply for the land within the specified time period, the sale/disposal of land shall be done through competitive bidding. In case no other applicant applies in the given period the land may be allotted to the first applicant at the special reserve price fixed for that land, subject to other conditions of the Hotel Policy.

- (iii) In case of both 2b(i) and 2 b (ii), the Local Body shall ensure 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** 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) shall provide a “**performance guarantee**” equivalent to 10% of the project cost. The hotel project on such land shall be restricted to have maximum 15% of constructed area for Commercial activities related to Hotel.
- (iv) The following eligibility criteria is laid for being eligible for bidding and applying for hotel land under this policy

<b>Category Hotel</b>	<b>Eligibility Criteria</b>
(a) For Budget /1Star/2Star/3 Star	No conditions
(b) For 4 Star and above	The bidder / applicant should be a Hotelier/Tour Operator having business experience in any Tourism activity. In case the applicant does not have the above eligibility, a consortium with one of the members having the desired eligibility condition can be eligible.

- (c) With the provisions mentioned at clause 2 (a) and 2 (b) coming into force, the State Government (Urban development Department) shall withdraw facilities given to Hotel/Accommodation Units from its circular No. F.3(28)Na Vi Vi/3/96 Part dated 17 November 2001 with immediate effect.
3. A special incentive package for new budget, 1 Star, 2 Star and 3 Star Hotels shall be provided over and above the provisions given in Rajasthan Investment Policy Scheme 2003. The special incentive package will include:-
- (i) 100% exemption from land conversion charges
  - (ii) 100% exemption of entertainment tax
- The above concessions will be valid till March 2010.
4. State Government shall henceforth provide the following incentives and facilities to the new Budget category, 1 and 2-3 Star hotel units:-
- (i) Water Supply charges as per industrial rates.
  - (ii) House tax to be charged as per industrial rates.
- 5(a) All such Nazool Properties and lands which can be converted into heritage hotels, tourism complexes and accommodation units shall be transferred to Tourism Department. The Department shall prepare PPP Project proposal and ensure disposal under “Rajasthan Disposal of Land and Properties by DOT/RTDC Rules, 1997”.
- 5(b) State Government may also enter into a joint venture with private sector for bringing up new hotel projects in the following manner:-

- (i) By offering Government land and converting capital value of the land into equity of Special Purpose Vehicle Company.
  - (ii) By offering Government land with the provision of mutually agreeable revenue sharing.
6. Tourism Department shall prepare a scheme for private sector for offering such Dak Bungalows and Rest Houses belonging to Government Departments which can be utilized for providing accommodation to tourists. The Scheme will incorporate list of such Dak Bungalows and Rest Houses which can be utilized as Accommodation Units for tourists with the consent of concerned departments.
7. In order to provide Higher Floor Area Ratio (FAR) for new hotel projects, the following notification shall be issued by the State Government :-

**New Hotels in Existing areas** :- Higher FAR within the scheme area upto twice vis-à-vis what may be presently admissible under Building Bye laws may be permitted subject to condition that over all FAR of the scheme area shall not exceed 1 (One)

**New Hotels in New Areas** :- Higher FAR for hotel Buildings within the area identified for township development under New Township Policy up to twice vis-à-vis what may be presently admissible under Building Byelaws may be permitted subject to condition that overall FAR of the Township area shall not exceed 1 (One).

Department of Local Self Government and Department of UDH shall issue the above notifications.

8. Government will promote and facilitate establishment of more heritage hotels and conversion of old palaces and havelis into hotels.
9. Department of Tourism shall be the Nodal Department for development of Hotel and Accommodation infrastructure. Department of Tourism shall perform the following functions :-
  - (a) Department of Tourism shall be the Nodal Department for facilitating speedier clearances of new Hotel/Accommodation Projects as also for various issues and problems encountered by Hotel industry from time to time. A notification to this effect shall be issued. For Hotel projects, Agenda items for the BIDI & State Level Empowered Committee shall be brought about by Tourism department instead of BIP.
  - (b) The Website of Department of Tourism shall exhibit the land Bank details of various local bodies and of various districts.
  - (c) Tourism department shall be the First Entry Point for receiving applications for new Hotel Projects. They will device a Single Composite Application format for the new hotel/accommodation projects requiring clearances from various departments and agencies.

- (d) Tourism Department shall also develop a mechanism for registration of Hotel and Accommodation units in the State and create and maintain authentic data.
  
- (e) Tourism Department shall create a “Hotel Cell” in the Directorate to perform the above functions.

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