

Karnataka Rent Act fine: Govt plans heavy penalties for tenants and landlords breaking this rule

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Synopsis

Karnataka Rent Act Subletting Fine Increase: Karnataka is set to significantly increase penalties for tenants subletting without landlord consent, raising fines from Rs 5,000 to Rs 50,000. Landlords permitting such subletting will also face higher fines, alongside unregistered property brokers who will incur daily penalties.



Karnataka Rent Act Subletting Fine Increase

Tenants in Karnataka who sublet their rented premises without their landlord's consent may soon face a penalty of Rs 50,000, up from the current Rs 5,000, under proposed amendments to the [Karnataka Rent Act](#), 1999. The move marks a 900 per cent increase in fines, aimed at curbing unauthorised subletting across the state, a Deccan Herald report stated.

The amendment, cleared by a legislative scrutiny committee headed by Law and Parliamentary Affairs Minister H.K. Patil, is expected to be introduced in the monsoon session of the Karnataka legislature, according to an official from the law

department.

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The decision comes as Karnataka's rental market, particularly in Bengaluru, expands rapidly, accompanied by an increase in disputes between landlords and tenants.

Landlords also face higher penalties

The changes target not only tenants but also landlords who permit subletting in exchange for payment. The fine for such landlords will increase from Rs 3,000 to Rs 30,000. The existing provision for up to one month's imprisonment is proposed to be removed, with a focus on monetary penalties instead.

Karnataka Rent Act: Current law provisions

Under Section 54 of the Karnataka Rent Act, 1999, tenants subletting without consent can be fined up to Rs 5,000, or double the monthly sublet rent, whichever is higher. The law also allows imprisonment of up to one month, or both penalties and imprisonment, depending on the offence.

The proposed amendments will replace jail terms with higher financial penalties to deter violations.

Crackdown on unregistered brokers

The amendment also seeks to penalise unregistered property brokers and middlemen operating without formal registration under Section 20 of the Act.

Brokers must register with the designated 'controller' — an Assistant Commissioner in large cities, a Senior Tahsildar in smaller towns, or a Tahsildar in rural areas. Those failing to register will face a daily fine of Rs 25,000, up from Rs 2,000. Repeat offenders will incur an additional Rs 20,000 per day.

The government has launched an online portal to register rental agreements, aiming to reduce disputes and increase transparency, particularly in urban areas where informal arrangements are common.

It is also considering changes to rental caps to reflect market conditions, ensuring landlords receive fair returns while protecting tenants from steep rent hikes.

Landlords will be required to provide adequate notice before eviction, to prevent arbitrary removals. Incentives such as tax breaks and subsidies will be offered to those renting properties below a specified price threshold, to encourage affordable housing.

To address delays in resolving rental conflicts, a fast-track dispute resolution system will be introduced. This aims to shorten the time cases spend in civil courts, giving both landlords and tenants a quicker way to settle disagreements.

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