

ACT No. XI OF 1879.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

(Received the assent of the Governor General on the 21st July, 1879).

The Local Authorities Loan Act, 1879.

WHEREAS it is expedient to re-enact the Local Preamble.
Public Works Loan Act, 1871, with the amend-
ments hereinafter appearing; It is hereby enacted as
follows:—

1. This Act may be called “The Local Authorities Short title.
Loan Act, 1879:”

It extends to the whole of British India, and shall Local extent.
come into force upon the passing thereof. Commence-
ment.

2. The Local Public Works Loan Act, 1871, is Repeal of Act
hereby repealed. But all applications, declarations, XXIV of
authorizations, attachments, loans and rules made 1871.
under the said Act shall be deemed to have been made
under this Act.

3. In this Act, “local authority” means any body “Local
corporate, municipal committee, or other persons authority.”
legally entitled to the control or management of any
local or municipal fund, or legally entitled to impose
any cess, rate, duty or tax upon any persons within
any local area; and

“funds,” used with reference to any local author- “Funds.”
ity, includes any local or municipal fund to the con-
trol or management of which such authority is legally
entitled, and any cess, rate, duty or tax which such
authority is legally entitled to impose, and any pro-
perty vested in such authority.

4. Any local authority desiring to obtain a loan, Loans for
on the security of its funds or any portion thereof, be granted on
for the carrying out of any works which it is legally security of
authorized funds.

[Price one anna and nine pies.]

authorized to carry out may, in manner provided by the rules made by the Governor General in Council under the power hereinafter conferred, apply to the Local Government for such loan.

Power to
Governor
General in
Council to
make rules.

5. The Governor General in Council may from time to time make rules consistent with this Act as to—

(1) the nature of the funds on the security of which loans may be made;

(2) the works for which loans may be made;

(3) the manner of making applications for loans;

(4) the inquiries to be made in relation to such loans, and the manner of conducting such inquiries;

(5) the cases and the forms in which particulars of applications and proceedings, and orders thereon, shall be published;

(6) the cases in which the Local Government may make loans without the previous sanction of the Governor General in Council, and the cases in which such previous sanction must be obtained;

(7) the manner of recording and enforcing the conditions on which such loans are to be made;

(8) the manner and time of making loans;

(9) the inspection of any works carried out by means of loans;

(10) the instalments by which loans shall be repaid, the interest to be charged on loans, and the manner and time of repaying loans and of paying the interest thereon;

(11) the sum to be charged against the funds which are to form the security for the loan, as costs in effecting the loan;

(12) the attachment of such securities, and the manner of disposing of or collecting them;

(13) the accounts to be kept in respect of loans, and as to all other matters incidental to carrying this Act into effect.

All such rules shall be published in the *Gazette of India*.

6. If any loan made under such rules, or any interest or costs due in respect thereof, is or are not repaid according to the conditions of the loan, the Local Government may attach the funds on the security of which the loan was made. After such attachment, no person except an officer appointed in this behalf by the Local Government shall in any way deal with the attached funds; but such officer may do all acts in respect thereof which the borrowers might have done if such attachment had not taken place, and may apply the proceeds in satisfaction of the loan and of all interest and costs due in respect thereof, and of all expenses caused by the attachment and subsequent proceedings:

Remedy by attachment if loan not repaid.

Provided that no such attachment shall defeat or prejudice any debt for which the funds attached were previously pledged in accordance with law; but all such prior charges shall be paid out of the proceeds of the funds before any part of the proceeds is applied to the satisfaction of a liability incurred under this Act.

Attachment not to defeat prior charges legally made.

7. The Local Government, with the previous sanction of the Governor General in Council, may authorize any local authority which might, under the provisions hereinbefore contained, have borrowed money for any work upon the security of its funds, to borrow money from any other person for such work upon such security; and, if any such loan or the interest thereon is not duly paid, the Local Government shall, upon the application of the lender, attach such funds for his benefit in manner provided by section six.

Local Government may authorize parties to borrow from private persons under this Act.

The Governor General in Council may, in respect of loans to be taken under this section, exercise the power conferred by section five, so far as the same may be applicable to the case of such loans.

Power to make rules in regard to such loans.

8. Except as provided by this Act and the rules made hereunder, no local authority shall for any purpose borrow money upon or otherwise charge its funds;

Loans not to be effected except under this Act.

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funds; and any contract otherwise made for that purpose after the passing of this Act shall be void:

Provided that nothing herein contained shall be deemed—

(a) to preclude the Municipality of Calcutta, Madras or Bombay, or the Trustees of the Port of Bombay, or the Commissioners for making improvements in the Port of Calcutta, or any like body hereafter created for the Port of Madras, from exercising the borrowing powers conferred on them by any special enactment now or hereafter in force; or

(b) to preclude any other local authority from exercising the borrowing power (if any) conferred on it by any such enactment with a view to raising money for any purpose other than the carrying out of works.

Application
of Act to
loans existing
previous to
the fifth of
September,
1871.

9. The Secretary of State in Council shall be entitled to the remedy mentioned in section six for the recovery of any money lent by him to any local authority before the fifth day of September, 1871, and the interest due on such money; and the Governor General in Council or the Local Government may declare that any person who before the said fifth day of September, 1871, has lent money to any local authority shall be entitled to the said remedy for the recovery of such money, or of the interest due thereon.