



THE LOCAL AUTHORITIES LOANS ACT, 1914



CONTENTS

SECTIONS:

1. Short title and extent.
2. Definitions.
3. Borrowing powers of local authorities.
4. Power to Government to make rules.
5. Remedy by attachment if loan not repaid.
6. Issue of short term bills.
7. Loans not to be effected except under this Act.
8. [Omitted.]
9. Repealed.

SCHEDULE I.

See section 6

SCHEDULE II.

ENACTMENTS REPEALED.

THE LOCAL AUTHORITIES LOANS ACT, 1914

¹ACT No. IX OF 1914

[28th February, 1914]

An Act to consolidate and amend the law relating to the grant of loans to Local Authorities.

Preamble. WHEREAS it is expedient to consolidate and amend the law relating to the borrowing powers of local authorities ; It is hereby enacted as follows :—

1. Short title and extent.—(1) This Act may be called the Local Authorities Loans Act, 1914.

²[(2) It extends to the whole of Pakistan.]

2. Definitions. In this Act, "local authority" means any person legally entitled to the control or management of any local or municipal fund, or legally entitled to impose any cess, rate, duty or tax within any local area ;

"funds", used with reference to any local authority, includes any local or municipal fund to the control 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 property vested in such authority ;

"prescribed" means prescribed by rules made under this Act ; and

"work" includes a survey, whether incidental to any other work or not ;

³["the Government" or "the appropriate Government" means, in relation to cantonment authorities and in relation to port authorities in major ports, the ⁴[Federal Government], and in relation to other local authorities, the Provincial Government.]

¹For Statement of Objects and Reasons, see Gazette of India, 1914, Pt. V, p. 5 ; for Report of Select Committee, see *ibid.*, 1914 Pt. V, p. 17 ; and for Proceedings in Council, see *ibid.*, 1914, Pt. VI, pp. 64, 159, 189 and 496.

The Act was extended to Baluchistan under s. 5 of the Scheduled Districts Act, 1874 (14 of 1874), see Gazette of India, 1915, Pt. II., p. 424.

This Act has been extended to the Leased Areas of Baluchistan, see the Leased Areas (Laws) Order, 1950 (G. G. O. 3 of 1950) ; and applied in the Federated Areas of Baluchistan, see Gazette of India, 1937, Pt. I., p. 1499.

The Act has been extended and shall be deemed to have been so extended on the 14-10-1955 to the whole of Pakistan by the Central Laws (Statute Reform) Ordinance, 1960 (21 of 1960), s. 3 and Sch.

The provision of this Act shall apply to all loans borrowed under the Karachi Joint Water Board Ordinance, 1949 (13 of 1949), so far as the said provisions are not inconsistent with the provisions of the Ordinance, see s. 14 of Ordinance 13 of 1949.

²Subs. by Ordinance 21 of 1960, s. 3 and 2nd Sch. (with effect from the 14th October, 1955), for the original sub-section (2) as amended by A. O., 1949, Sch.

³Ins. by A. O., 1937.

⁴Subs. by F.A.O., 1975, Art. 2 and Table, for "Central Government".

3. Borrowing powers of local authorities.—(1) A local authority may, subject to the prescribed conditions, borrow on the security of its funds or any portion thereof for any of the following purposes, namely :—

- (i) the carrying out of any works which it is legally authorized to carry out,
- (ii) the giving of relief and the establishment and maintenance of relief works in times of famine or scarcity,
- (iii) the prevention of the outbreak or spread of any dangerous epidemic disease,
- (iv) any measures which may be connected with or ancillary to any purposes specified in clauses (ii) and (iii),
- (v) the repayment of money previously borrowed in accordance with law:

Provided that nothing in clause (v) shall be deemed to empower a local authority to fix a period for the repayment of any money borrowed thereunder which, when the period fixed for the repayment of the money previously borrowed is taken into account, will exceed maximum period fixed for the repayment of a loan by or under any enactment for the time being in force

¹[Provided further that, in the case of loans other than loans made by the ²[appropriate Government], no amount exceeding twenty-five lakhs of rupees shall be borrowed unless the terms, including the date of floatation, of such loan have been approved by the ³[appropriate Government].]

(2) Nothing in this section shall be deemed to authorize any local authority—

(a) to borrow or spend money for any purpose for which, under the law for the time being in force, it is not authorized to apply its funds, or

(b) to borrow money by means of the issue of bills or promissory notes payable within any period not exceeding twelve months.

4. Power to Government to make rules.—(1) The ⁴[appropriate Government] may make ⁵ rules consistent with this Act as to—

- (i) the nature of the funds on the security of which money may be borrowed ;

¹This proviso was ins. by the Devolution Act, 1920 (38 of 1920), s 2 and Sch. I.

²Subs. by A. O., 1937, for "L. G".

³Subs. *ibid.*, for "G. G. in C".

⁴Subs. *ibid.*, for the words "L. G." which were subs. by Act 38 of 1920, s. 2 and Sch. I, for "G. G. in C".

⁵For rules applying to all local authorities in Chief Commissioners' Provinces and to Cantonment authorities and port authorities of major ports in Governor's Provinces, see the Local Authorities Loans (Central) Rules, 1937 (published in the Gazette of India, 1937, Pt. I, p. 1902); and for rules applying to other local authorities in Governors' Provinces, see the Local Authorities Loans Rules 1915 (Gen. R & O.).