

ACT No. XXIV OF 1871.

PASSED BY THE GOVERNOR GENERAL OF INDIA IN COUNCIL.

(Received the assent of the Governor General on the 5th September 1871).

The Local Public Works Loan Act, 1871.

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| Title. | 1. THIS Act may be called "The Local Public Works Loan Act, 1871:" |
| Extent and commencement. | It shall extend to the whole of British India, and shall come into force upon the passing thereof. |
| Loans to be based on security of public property or taxes. | 2. Any body corporate, municipal committee, or other persons 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 in any local limits, may apply to the Local Government for a loan on the security of any such fund, cess, rate, duty or tax, or of any property vested in such body, committee or persons for the purposes of such fund in the manner hereinafter mentioned. |
| Loans not to be effected except under Act. | 3. No such body corporate, municipal committee, or other persons shall borrow money upon or otherwise charge any such fund, cess, rate, duty, tax or property otherwise than in the manner hereinafter mentioned; and any contract made for that purpose after the passing of this Act shall be void. |
| Power to Governor General in Council to make rules. | 4. The Governor General in Council may make, and from time to time amend and alter, rules as to <ol style="list-style-type: none"> (1) the nature of the fund, rates, cesses, duties, taxes or property 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 |

(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 works carried out by 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 fund, cess, rate, duty, tax or property which is to form the security for the loan, as costs in effecting the loan ;

(12) the accounts to be kept in respect of loans ;

(13) the attachment of securities and the manner of disposing of or collecting them ;

and as to all other matters incidental to carrying this Act into effect.

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

5. If any loan made under this Act, or the interest accrued thereupon, is not repaid according to the conditions of the loan, the Local Government may attach the fund, rate, cess, tax, duty or property on the security of which the loan was made ; after such attachment, no person except an officer appointed by the Local Government shall in any way deal with the attached fund, rate, cess, tax, duty or property, 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 charges due in respect thereof, and of all expenses involved

Remedy by attachment if loan not repaid.

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Attachment not to defeat prior charges legally made.

by the attachment and subsequent proceedings: Provided that no such attachment shall defeat or prejudice any debt for which the fund, cess, rate, tax, duty or property attached was previously pledged in accordance with law, but all such prior charges shall be paid out of the proceeds of the fund, cess, rate, tax, duty or property attached, before any part of the proceeds is applied to the satisfaction of a liability incurred under this Act.

Local Government may authorize parties to borrow from private persons.

6. The Local Government, with the previous sanction of the Governor General in Council, may authorize any body corporate, municipal committee or other persons who might have borrowed money from Government under this Act upon any security, to borrow money from any other person upon such security; and if any such loan or the interest accrued be not duly repaid, the Local Government shall, upon the application of the lender, exercise for his benefit the same powers as if the loan had been made by Government under this Act.

Procedure on such loan not being repaid.

Existing loans.

7. The Governor General in Council or the Local Government may declare that any person who, before the passing of this Act, has lent money to any such body corporate, municipal committee or other persons as are mentioned in section two, shall be entitled to the remedy mentioned in section six for the recovery thereof or of the interest due thereupon; and the Government of India may, in the case of any such loan granted by itself, direct the Local Government to proceed under section six in respect of any such loan.

Local Governments to comply with special directions of the Government of India.

8. The Local Government shall exercise the discretionary powers given by this Act, according to any direction in that behalf which it may receive in any particular case from the Governor General in Council.

Saving of charitable or religious foundations, and special borrowing powers of certain municipalities.

9. Nothing in this Act shall apply to any charitable or religious foundation or be deemed to preclude the Municipalities of Calcutta, Madras or Bombay from exercising the borrowing powers conferred on them by any special law.