

# The Local Authorities Loans Act, 1914

( ACT NO. IX OF 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:-

### Short title and extent

- 1.(1) This Act may be called the Local Authorities Loans Act, 1914.
- (2) It extends to the whole of <sup>1</sup>[Bangladesh].

### Definitions

2. 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;

<sup>2</sup>[\* \* \*]

### Borrowing powers of local authority

- 3.(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:

Provided further that, in the case of loans other than loans made by the Government, no amount exceeding twenty-five lakhs of <sup>3</sup>[Taka] shall be borrowed unless the terms, including the date of flotation, of such loan have been approved by the 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.

**Power to  
Government  
to make  
rules**

4.(1) The Government, may make rules consistent with this Act as to-

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

(ii) the works for which money may be borrowed;

(iii) the manner of making applications for permission to borrow money;

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

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

(vi) the cases in which the Government may make loans;