

# **Jammu and Kashmir Local Authorities Loans Act, 1997**

JAMMU & KASHMIR

India

# **Jammu and Kashmir Local Authorities Loans Act, 1997**

## **Act 6 of 1997**

- Published on 4 August 1997
- Commenced on 4 August 1997
- [This is the version of this document from 4 August 1997.]
- [Note: The original publication document is not available and this content could not be verified.]

Jammu and Kashmir Local Authorities Loans Act, 1997(Act No. 6 of 1997)[Dated 4th August, 1997]Preamble : - Whereas it is expedient to make provisions enabling local authorities to raise loans; It is hereby enacted as follows :-

### **1. Short title and extent.**

(1)This Act may be called as the Jammu and Kashmir Local Authorities Loans Act, 1997.(2)It extends to the whole of the state of the Jammu and Kashmir.

### **2. Definitions.**

- In this Act, -(1)"local authority" means any person legally entitled to the control or management of any local or Municipality fund or legally entitled to impose any cess, rate, duty or tax within any local area;(2)"Funds" used with reference to any local authority, includes any local or Municipality fund to the control or management of which such authority is legally entitled any such cess, rate, duty or tax which such authority is legally entitled to impose, and any property vested in such authority;(3)"prescribed" means prescribed by rules made under this Act; and(4)"work" includes a survey, whether incidental to any work or not.

### **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, scarcity or any other calamity;(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 borrowed previously in accordance with law.(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 of Government to make rules.**

(1)The Government may make rules consistent with this Act as to-(i)the nature of the funds on the security of 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 enquiries;(v)the cases and forms in which the particulars of applications and proceedings, and orders thereon shall be published;(vi)the cases in which the Government may make loans;(vii)the cases in which the local authority may take loans from the persons other than the Government;(viii)the manner of recording and enforcing the conditions on which money is to be borrowed;(ix)the manner and time of making or raising loans;(x)the inspection of any works carried out by means of loans;(xi)the instalments, if any, by which loans shall be repaid, the interest to be charged on the loans, and the manner and time of repaying loans and of paying the interest thereon;(xii)the sum to be charged against the funds which are to form the security for the loan as costs in effecting the loans;(xiii)the attachment of such funds, and the manner of disposing of or collecting them;(xiv)the accounts to be kept in respect of loans;(xv)the utilization of unexpected balance of loans either in the reduction in any way of the debt of the local authority, or in carrying out any works which that authority is legally authorized to carry out; and the sanction necessary to such utilization.(2)All rules made under this Act shall be published in the Government Gazette and on such publication shall have effect as if enacted in this Act.

#### **5. Remedy by attachment if loan not paid.**

- If any money borrowed in accordance with the provision of this Act or any interest or costs due in respect thereof, is or are not repaid according to the conditions of the loan, the Government, if itself the lender may, and, if the Government is not the lender, shall, on the application of the lender 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 Government, shall, in any way deals with the attached funds.

#### **6. Issue of Short term bills.**

(1)A local authority may, with the previous sanction of the Government, may borrow money by means of the issue of the bills or premissionary notes payable within any period not exceeding twelve months, for any purpose of which any such local authority may lawfully borrow money under any law for the time being in force.(2)The Government may by, general or special order, regulate the conditions on which the money may be borrowed or repaid under this section.

## **7. Loans not to be effected except under this Act.**

- Provided that, nothing herein contained shall be deemed-(a)to preclude any local authority from exercising the borrowing powers conferred on it by special enactment now or hereinafter in force; or(b)to affect the powers conferred on any local authority by means of charge its funds by payment of guarantee to refund it.