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## **ANDHRA PRADESH (ANDHRA AREA) LOCAL AUTHORITIES LOAN ACT, 1888**

**1 of 1888**

**[20th April, 1888]**

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## **ANDHRA PRADESH (ANDHRA AREA) LOCAL AUTHORITIES LOAN ACT, 1888**

**1 of 1888**

**[20th April, 1888]**

An Act to empower Local Authorities to guarantee interest on, or to create a Fund for Repayment of, Capital expended on certain purposes. Preamble :- Whereas it is expedient to empower local authorities to charge their funds with the payment of interest on Capital applied to the carrying out of works to the execution of which the funds of the local authority can legally be applied; It is hereby enacted as follows:

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

This Act shall be called the Andhra Pradesh (Andhra Area) Local Authorities Loan Act, 1888. It extends to the whole of the Andhra area of the State of Andhra Pradesh.

### **2. Local authority :-**

In this Act local authority means any district or municipal board constituted under the provisions of the Andhra Pradesh (Andhra Area) District Municipalities Act, 1920 (Act V of 1920) and the Andhra Pradesh (Andhra Area) District Boards Act, 1920 (Act XIV of 1920) or other such law for the time being in force; and

Funds :- funds used with reference to any local authority, means any district or municipal fund to the control or management of which such authority is entitled, and any rates taxes or tolls leviable by, and any property vested in such authority.

**3. Power of local authority to guarantee payment of interest on, or to create a fund for re payment of, capital expended on any work to which the funds may be applied :-**

The State Government, may authorize any local authority, either severally or in conjunction with any other local authority, to charge its funds or any part thereof by way of guarantee for the payment of, moneys expended or to be expended on any work or for any of the purposes to which such funds might be by law applied.

**4. Remedy by attachment if engagements not fulfilled :-**

In the event of default being made by a local authority in the fulfilment of engagements entered into under the last preceding section, the State Government may, on the application of a person entitled under such engagements, attach the funds made subject to charge on account thereof. After such attachment, no person, except an officer appointed in this behalf by the State Government, shall in any way deal with the attached funds; but such officer may do all acts in respect thereof which the local authority might have done if such attachment had not taken place, and may apply the proceeds to the discharge of the liabilities incurred and in payment of all cost due in respect thereof, and of all expenses caused by the attachment and subsequent proceedings consequent thereon:

Attachment not to defeat prior charges legally made : 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.

**5. Power of Government to make rules :-**

The State Government may, from time to time make rules consistent with this Act as to

(1) the nature of the funds on the security of which interest may be guaranteed;

(2) the works for the carrying out of which the payment of interest may be guaranteed;

- (3) the manner of making application for sanction to give such guarantee;
- (4) the inquiries to be made in relation to such applications and the manner of conducting such inquiries;
- (5) the inspection of any works carried out under any contract in respect of which the payment of interest is guaranteed under this Act;
- (6) the accounts to be kept by the person or corporate body with whom such contract is made and for the inspection of the same;
- (7) attachment of the funds and the manner of collecting or disposing of them; and as to all other matters incidental to carrying this Act into effect. All such rules shall be published in the Official Gazette.

Cancellation or alteration of rules :- The State Government may, in like manner, from time to time, cancel or alter such rules.