

**AN ORDINANCE TO FACILITATE THE BORROWING  
BY LOCAL GOVERNMENT AUTHORITIES OF  
MONEY FOR CAPITAL DEVELOPMENT, TO  
ESTABLISH A LOCAL GOVERNMENT LOANS  
AUTHORITY AND A FUND FOR THAT PURPOSE;  
AND FOR PURPOSES CONNECTED THEREWITH**

Date of  
commencement.

*20th March, 1953*

ENACTED by the Governor of the Colony of Kenya,  
with the advice and consent of the Legislative Council there-  
of, as follows:—

Short title.

**1.** This Ordinance may be cited as the Local Govern-  
ment Loans Ordinance, 1953.

Interpretation.

**2.** In this Ordinance, unless the context otherwise re-  
quires—

“the Authority” means the Local Government Loans  
Authority established by section 3 of this Ordinance;

“the Fund” means the Local Government Loans Fund  
established by section 6 of this Ordinance;

"statutory securities" means any securities trustees are for the time being authorized by law to invest trust moneys, and any security created by a local authority other than securities transferable by delivery.

3. (1) There is hereby established a Local Government Loans Authority which shall be a body corporate by that name with perpetual succession and a common seal, and which shall exercise the duties and have the powers conferred upon it by this Ordinance.

Establishment  
and constitution  
of Local  
Government  
Loans Authority

(2) The Authority shall consist of—

- (a) the Member, who shall be Chairman of the Authority;
- (b) a person to be appointed by the Member for Finance;
- (c) the Commissioner for Local Government;
- (d) the Local Government Inspector; and
- (e) such other persons as the Member may from time to time appoint.

(3) In the case of his absence from, or inability to attend any meeting of the Authority an officer mentioned in paragraph (c) or paragraph (d) of sub-section (2) of this section may be represented at such meeting by a deputy nominated by such officer, and any such deputy shall be deemed to be a duly appointed member of the Authority for the purposes of such meeting.

(3) The Member, or other person acting as chairman of any meeting of the Authority, shall have a deliberative vote and, in the case of an equality of votes, shall also have a casting vote; a decision of the majority of the members present and voting at a meeting of the Authority shall be deemed to be the decision of the Authority.

(4) The Authority shall have power to act notwithstanding a vacancy among the members thereof, and all acts done at any meeting of the Authority shall, notwithstanding that it was afterwards discovered that there was some defect in the appointment of a person purporting to be a member of the Authority, be as valid as if that defect had not existed.

(5) Subject to the provisions of this section the Authority shall have power to regulate its own procedure.

(6) The seal of the Authority shall be authenticated by the signatures of the Member and the Commissioner for Local Government and such seal shall be officially and judicially noticed.

(7) All documents, other than those required by law to be under seal, made by, and all decisions of the Authority may be signified under the hand of the Commissioner for Local Government.

(8) It shall be the duty of the Commissioner for Local Government to carry into effect the decisions of the Authority.

6. (1) There is hereby established a Local Government Loans Fund under the control of the Authority, consisting of such securities and moneys and applicable to such purposes as are provided for by this Ordinance.

Establishment  
of Local  
Government  
Loans Fund.

(2) There shall, by virtue of this Ordinance and without further assurance, become vested in the Authority the right of the Government to demand, sue for and recover, and give receipts for, and the benefit of all securities for such loans made to local authorities by the Government out of the public revenues of the Colony as may be approved from time to time by Resolution of the Legislative Council to the extent to which such loans, at the date of the commencement of this Ordinance, remain outstanding; and all moneys received by the Authority on account of every such loan shall be carried to the Fund.

(3) There shall also be paid to the Authority and carried to the Fund—

(a) all such moneys as may from time to time be voted or appropriated by the Legislative Council for the purpose of providing loans to local authorities;

(b) all repayments of principal or interest made by any local authority on account of any loan referred to in sub-section (2) of this section;

(2) The Authority may from time to time make to a local authority advances of moneys required for the proper discharge of the functions of the local authority.

(3) The Authority may from time to time make loans to the Central Housing Board appointed under the provisions of section 12 of the Housing Ordinance upon such terms and conditions as may be directed by the Member for Finance.

(4) Every loan made by the Authority under this Ordinance to a local authority shall bear interest at such rate and shall be repaid at such time and in such manner as the Authority may determine.

**8.** All moneys borrowed by a local authority from the Authority and all such loans as are referred to in sub-section (2) of section 6 of this Ordinance shall be charged indifferently on all the rates and revenues of the local authority.

**9.** (1) If any local authority having power to levy rates or taxes or impose and collect dues or cesses shall neglect to pay any moneys due to the Authority in respect of any loan granted under this Ordinance, the Governor in Council may, at any time after the expiry of sixty days from the date on which such moneys become due and payable, forthwith impose

Cap. 142.

Charge of  
loan on rates  
and revenues  
of local  
authority.

Powers in  
relation to  
rate where  
default made.

the powers conferred by this section or otherwise by reason of the default in payment of the sum due to the Authority as aforesaid.

(4) If, after payment out of the proceeds of any such rate or tax or dues or cesses of the sum due to the Authority as aforesaid and of the expenses of and incidental to the imposition, levy and recovery of such rate or tax or dues or cesses, there remains any balance, such balance shall be paid over to the local authority whose default led to the exercise by the Governor in Council of his powers under this section.

**10.** Upon all money due from a local authority to the Authority being fully paid the Authority shall, when required, give to the local authority a receipt in writing for the same, and such further sufficient discharge (if any) as may seem to the Authority to be necessary, and upon such receipt being given the rates and revenues of the local authority shall be released from the charge created by section 8 of this Ordinance.

Discharge of security on repayment of the loan.

**11.** Where a loan is made by the Authority to meet any expenditure of a local authority which is chargeable to a particular account, there shall be debited to that account all sums required for repayment of the principal of the loan, or for payment of interest thereon.

Charge of service of loan to particular account.

Stock  
Regulations.

Investment  
of surplus  
moneys.

12B. The Authority may from time to time invest any moneys for the time being in the Fund which are not immediately required for the discharge of its functions under this Ordinance in any investment for the time being authorized by any law in force in the Colony for the investment of trust moneys, and any such investments may from time to time be varied or transposed.

(Ordinance No. 59 of 1954).  
or non-application of the Ordinances in the Colony relating to stamp duties (subject to the provisions of sections 14 and 16 of this Ordinance) and to cheques, and for the disposal of unclaimed dividends.

Provisions as  
to local bonds.

14. For the purposes of any borrowing by the Authority by means of an issue of local bonds under this Ordinance the following provisions shall have effect, that is to say, the bonds shall—

(a) be secured upon all the ~~property and~~ revenues of the Authority;

ord. 59/54.

16. Transfers of any stock or local bonds of the Authority under this Ordinance shall be exempt from all stamp duties.

stock and  
bonds to be  
exempt from  
stamp duty.

17. If at any time hereafter an Ordinance is passed which appears to Her Majesty's Government in the United Kingdom to alter any of the provisions affecting any such stock as aforesaid to the injury of the holder thereof, or to involve a departure from the original contract in regard to such stock, that Ordinance may properly be disallowed.

Certain  
Ordinances  
may properly  
be disallowed

18. (1) If at any time any interest due on any stock remains unpaid for three months after demand in writing, the person entitled thereto may, without prejudice to any other remedy, apply to the Supreme Court of Kenya for a receiver to be appointed, and the court may, if it thinks fit, appoint a receiver on such terms as the court thinks fit.

Appointment  
of receiver.

(2) The court may confer on the receiver any of the powers of collecting, receiving and recovering the revenues of the Authority which are conferred upon the Authority by this Ordinance and any of the powers of imposing and levying rates and taxes and imposing and recovering dues and cesses which are conferred on the Governor in Council by this Ordinance.

amendment of  
Ordinances.

hereby repealed.

(2) The Ordinances specified in the first column of the Schedule to this Ordinance are amended in the manner specified in the second column of that Schedule.

**SCHEDULE**

**FIRST COLUMN**

**Chapter No.**

133.

**Title**

Townships Ordinance.

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Borrowing powers.

No. 9 of 1953.

136.

Municipal...

(a) In section 6, insert at the end of the section—  
(b) Substitute the section—  
(c) In section 7, insert at the end of the section—  
(d) In section 8, insert at the end of the section—  
(e) In section 9, insert at the end of the section—  
(f) In section 10, insert at the end of the section—  
(g) In section 11, insert at the end of the section—  
(h) In section 12, insert at the end of the section—  
(i) In section 13, insert at the end of the section—  
(j) In section 14, insert at the end of the section—  
(k) In section 15, insert at the end of the section—  
(l) In section 16, insert at the end of the section—  
(m) In section 17, insert at the end of the section—  
(n) In section 18, insert at the end of the section—  
(o) In section 19, insert at the end of the section—  
(p) In section 20, insert at the end of the section—  
(q) In section 21, insert at the end of the section—  
(r) In section 22, insert at the end of the section—  
(s) In section 23, insert at the end of the section—  
(t) In section 24, insert at the end of the section—  
(u) In section 25, insert at the end of the section—  
(v) In section 26, insert at the end of the section—  
(w) In section 27, insert at the end of the section—  
(x) In section 28, insert at the end of the section—  
(y) In section 29, insert at the end of the section—  
(z) In section 30, insert at the end of the section—

FIRST COLUMN		
Chapter No.	Title	
136. (Contd.)	Municipalities Ordinance.	(ii) S
136—(Contd.)	Municipalities Ordinance.	<p>(iii) any sum mortgaged to the Council of the Municipality in respect of any property appearing in the list of properties owned by the Council, or, in the case of a Council of Notified Area, in respect of any property appearing in the list of properties owned by the Council of the Notified Area.</p> <p>(iv) Substitute for sections—</p> <p>(7) In the Local Government Ordinance, 1952, the Local Government shall have the power to exercise the powers conferred on the Local Government by section 10 of the Local Government Ordinance, 1952, in substitution of the powers conferred on the Local Government by that Ordinance in respect of any loan or interest on any loan.</p>

FIRST COLUMN

136—(Contd.)  
(Contd.)

Municipalities Ordinance.

(8) The court order which it is of this section, r any property on Council of Nairo provisions of an lands vested in th

(b) In section 99 substituted present and future of thereof, the words " the case of advances the property and reve

140.

Local Government (District Councils) Ordinance.

In section (i) S

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## FIRST COLUMN

Chapter No.

Title

140.  
(Contd.)Local Government (District  
Councils) Ordinance.No. 9  
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SCHEDULE—(Contd.)

FIRST COLUMN		
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No. 12 of 1950.	African District Councils Ordinance, 1950.	In section 32-
		(i) Sub-sections
		Financial
		(ii) Sub-sections
		rates
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		No. 9
		of 1953.
		No. 9
		of 1953.

FIRST COLUMN

*Chapter No.*

No. 30 of 1952.

*Title*

Local Government (County Councils) Ordinance, 1952.

(a) In section (i) Sub-section

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(ii) Sub-section

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No. 9  
of 1953.

SCHEDULE—(Contd.)

FIRST COLUMN		
Chapter No.	Title	
No. 30 of 1952 (Contd.)	Local Government (County Councils) Ordinance, 1952.	(iii) Sub- “pr cha and (iv) Subs sect
		No. 9 of 1953.
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