

CHAPTER 601

LOCAL AUTHORITIES HOUSING

Acts Nos.14 of 1964, 63 of 1979. AN ACT TO PROVIDE FOR THE VESTING IN LOCAL AUTHORITIES OF CERTAIN HOUSES BUILT ON STATE LANDS; TO GIVE POWER TO LOCAL AUTHORITIES TO LET SUCH HOUSES ON TERMS WHICH WILL ENABLE THE TENANTS TO BECOME OWNERS THEREOF; TO CONSTITUTE ADVISORY BOARDS TO GIVE ADVICE TO LOCAL AUTHORITIES ON HOUSING SCHEMES AND OTHER MATTERS; AND TO PROVIDE FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

[1st Aprit. 1975.]

Short title. 1. This Act may be cited as the Local Authorities Housing Act.

Vesting of certain houses constructed on State lands in local authorities. 2. (1) With effect from the appointed date every house which on or before that date was constructed for the housing of one or more working or middle-class family or families on State land situated within the administrative limits of any local authority out of funds provided wholly by the Government, or partly by the Government and partly by that local authority, shall, together with the land appertaining thereto, vest in that local authority.

(2) Upon the construction after the appointed date of any house on State land situated within the administrative limits of any local authority for the housing of one or more working or middle-class family or families, the Minister shall by a vesting Order vest in that local authority that house and the land appertaining thereto.

(3) The preceding provisions of this section shall not apply to any house constructed or to be constructed on State land within the administrative limits of any local authority by the Department of National Housing or any other Government Department.

Power of local authority to let houses to persons on terms which enable them to become owners of such houses. 3. (1) Subject as hereinafter provided, a local authority may, either upon a resolution passed in that behalf at a duly constituted meeting of that local authority or upon the direction of the Minister, let to any person any house—

(a) which has vested in that local authority under section 2 ; or

(b) which has been, or may be, constructed by that local authority within the administrative limits of that local authority for the purpose of residence,

on such terms as will enable that person to become the owner of that house and the land appertaining thereto after making certain number of monthly payments as rent.

(2) In determining the person to whom a house to which this Act applies shall be let under subsection (1), the local authority shall have regard primarily to the interests of persons requiring housing accommodation, and shall in particular have regard to the following considerations, that is to say, that the house should be let at a reasonable rent to a person who is a citizen of Sri Lanka and whose name appears in the electoral list prepared for the general election of members of that local authority-

(3) Where any person is in occupation as a tenant of any house to which this Act applies, the local authority within the administrative limits of which such house is situated shall not let such house to any other person under the provisions of subsection (1)—

(a) except with the prior approval of the Advisory Board constituted for that local authority under this Act; and

(b) unless six months' notice in writing is given by that local authority to the first-mentioned person of its intention to so let such house to [§ 2, 63 of 1979.]

some other person and alternate accommodation is provided for the first-mentioned person by that local authority.

(b) to the person in occupation of that house on the 15th day of October, 1979, where the tenant of that house is not in occupation thereof on that date,

Special provisions regarding value of house for the purposes of determining rent.

4. Where any house to which this Act applies is let by a local authority under the provisions of section 3 (1) to a person who is at the time of such letting in occupation of such house as a tenant, the local authority shall, in the determination of the amount payable by such person by way of rent upon such letting, set off against the value of that house at the date of such letting a sum calculated at the rate of one *per centum* of the valuation of that house for each year of occupation or part thereof by such person prior to the date of such letting.

if, and only if, the Advisory Board constituted for that local authority is satisfied that—

- (i) such tenant or person in occupation, as the case may be, is in need of housing accommodation,
- (ii) such tenant or person in occupation, as the case may be, is a citizen of Sri Lanka, and
- (iii) the name of such tenant or person in occupation, as the case may be, appears in the electoral list prepared for the general election of members of that local authority.

Payment of deposits.

5. (1) No house to which this Act applies shall be let to any person under the provisions of section 3 (1) unless such person pays to the credit of the local fund of that local authority a deposit of such sum as may be determined by that local authority.

(3) Where the Advisory Board constituted for a local authority decides that the tenant or person in occupation, as the case may be, of a house referred to in subsection (2) does not satisfy the requirements set out in paragraphs (i), (ii) and (iii) of that subsection—

(2) The deposit paid under subsection (1) or any part thereof may be forfeited if the person by whom such deposit was made commits a breach of any condition subject to which the house was let to him.

(a) that tenant or person in occupation, as the case may be, may appeal against that decision to the Secretary to the Ministry charged with the subject of Local Government within fourteen days of the communication to him of that decision. The decision of such Secretary on any such appeal shall be final; and

Power of local authority to transfer certain houses to which this Act applies. [§ 3, 63 of 1979.]

5A. (1) Where prior to the 15th day of October, 1979, a house to which this Act applies has been let to any person under the provisions of section 3 (1) and the monthly rental of such house immediately prior to such letting did not exceed twenty-five rupees, the local authority within the administrative limits of which that house is situated shall, by an instrument of disposition, transfer, free of charge, that house to that person.

(b) the local authority within the administrative limits of which such house is situated may, by an instrument of disposition, transfer, free of charge, that house to any person who satisfies those requirements.

(2) Where prior to the 15th day of October, 1979, a house to which this Act applies has been let to any person otherwise than under the provisions of section 3 (1) and the monthly rental of that house does not exceed twenty-five rupees, the local authority within the administrative limits of which that house is situated shall, by an instrument of disposition, transfer, free of charge, that house—

(4) No transfer of a house shall be made by a local authority under paragraph (b) of subsection (3)—

(a) to the tenant of that house who is in occupation thereof on the 15th day of October, 1979; or

(a) except with the prior approval of the Advisory Board constituted for that local authority;

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- (b) unless six months' notice in writing is given by that local authority to the tenant or person in occupation, as the case may be, of that house of its intention to so transfer that house to some other person and alternate accommodation is provided for such tenant or person in occupation, as the case may be, by that local authority ; and
- (c) until and unless any appeal made by the tenant or person in occupation, as the case may be, of such house under paragraph (a) of subsection (3) has been dismissed.

(5) Nothing in the Prevention of Frauds Ordinance shall apply to any instrument of disposition effecting a transfer under subsection (1) or subsection (2) or subsection (3) and no stamp duty shall be payable in respect thereof. The local authority executing any such instrument of disposition shall cause a copy thereof to be presented for registration to the Registrar of Lands of the district in which the house transferred by such instrument is situated. No fee shall be payable in respect of such registration.

(6) All expenses incurred by a local authority in transferring a house under this section shall be a charge on the funds of that local authority.

**6.** (1) For each area within the administrative limits of a local authority, there shall be constituted an Advisory Board consisting of—

- (a) if the local authority is a Municipal Council, the Mayor, or in his absence, the Deputy Mayor, or if the local authority is other than a Municipal Council, the Chairman, or in his absence, the Vice-Chairman of that local authority;
- (b) the Medical Officer of Health, or the officer in charge of the sanitation, of the local authority ;
- (c) the Assistant Commissioner of Local Government of the region in which the local authority is situated ;

- (d) if the local authority is a Municipal Council, the Director, Town and Country Planning or his authorized representative, or, if the local authority is other than a Municipal Council, the Executive Engineer for the area within the administrative limits of that local authority ; and
- (e) a member of that local authority elected to serve on the Advisory Board on a resolution passed in that behalf at a duly constituted meeting of that local authority.

(2) An Advisory Board shall advise the local authority on all matters relating to the execution of housing schemes by that local authority and to the determination of the person to whom houses to which this Act applies shall be let and on any other matter on which the local authority requires advice.

(3) A local authority shall act on the advice of the Advisory Board and any disagreement on any matter between the local authority and the Board shall be referred to the Minister for his decision and such decision shall be binding on the local authority.

**7.** (1) A local authority shall have a fund called the Housing Extension Fund.

Housing Extension Fund.

(2) There shall be paid into the Housing Extension Fund—

- (a) all sums received as rent by the letting of houses to which this Act applies; and
- (b) any sum allocated by the Government by way of grant to that local authority for housing projects, or any sum raised by way of loan by that local authority for such projects or voted by that local authority for such projects, or any sum paid by way of donation to that local authority for such projects.

(3) No sum shall be paid out of the Housing Extension Fund except on the advice of the Advisory Board.

Advisory Boards.

Expenses of letting houses under [his Act.

8. All expenses incurred by a local authority in the letting of houses to which this Act applies shall be a charge on the local fund of that authority.

commencement of such letting and when such person becomes the owner thereof;

Duty of tenants to vacate houses on termination of occupation.

9. (1) The occupier of any house to which this Act applies and his dependants shall not be entitled to occupy such house after the date of the lawful termination of his occupation thereof; and accordingly the occupier shall on that date vacate the house, deliver possession thereof to the local authority within the administrative limits of which such house is situated, and together with his dependants, if any, depart from the land on which the house is situated.

(c) the circumstances under which the tenancy of such person shall be terminated by the local authority;

(d) the conditions under which title to such house shall pass to the person to whom such house is let;

(e) the procedure relating to the meetings of an Advisory Board; and

(f) any other matter which appears to be necessary for the purposes of this Act.

(2) In any case where the occupier of any house to which this Act applies fails to comply with the provisions of subsection (1), the provisions of Part V of the National Housing Act relating to the recovery of possession of houses shall, *mutatis mutandis*, apply in relation to such house, subject to the following modifications, namely, that the expression " landlord " in that Part shall have the meaning " local authority within the administrative limits of which the house is situated", and the expression "house to which this Part applies " in that Part shall have the meaning " house to which this Act applies ".

(2) No regulation made by the Minister shall have effect until it is approved by Parliament and notification of such approval is published in the Gazette.

Every regulation so approved shall be valid and effectual as though it were herein enacted.

Signing of documents on behalf of local authority.

10. The Mayor of a Municipal Council or his representative or, in the case of any other local authority, the Chairman of that local authority is hereby authorized to sign on behalf of that local authority all documents required to be signed or executed in the exercise, discharge or performance by that local authority under this Act of any powers, functions or duties.

**11A.** Nothing in this Act shall apply to, or in relation to, any house to which this Act applies which has been let by a local authority to an officer or servant of that local authority as official quarters.

This Act not to apply to houses to which this Act applies let to officers or servants of local authorities. [§ 4, 63 of 1979.]

Regulations.

11. (1) The Minister may make regulations in respect of the following matters:—

**12.** In this Act, unless the context otherwise requires—

"appointed date" means the 1st day of April, 1975;

" house " includes a flat;

" house to which this Act applies" means—

(a) the conditions subject to which any house to which this Act applies shall be let to any person ;

(a) any house which has vested in a local authority under section 2 of this Act, or

(b) the documents which have to be signed and executed by the local authority and the person to whom such house is let at the

(b) any house which has been, or may be, constructed by a local authority for the purpose of residence within the administrative limits of that local authority; and

" local authority " means any Municipal Council, Urban Council, Town Council or Village Council.

Interpretation.