



PARLIAMENT OF THE DEMOCRATIC
SOCIALIST REPUBLIC OF
SRI LANKA

DEVELOPMENT COUNCILS
ACT, No. 35 OF 1980

[Certified on 22nd September, 1980]

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L.D.—O. 28/80

AN ACT TO PROVIDE FOR THE CONSTITUTION AND COMPOSITION OF DEVELOPMENT COUNCILS FOR THE PURPOSES OF ACCELERATING DEVELOPMENT ; TO SPECIFY THE POWERS, DUTIES AND FUNCTIONS OF SUCH COUNCILS ; TO PROVIDE FOR THE CONSTITUTION AND COMPOSITION OF EXECUTIVE COMMITTEES OF DEVELOPMENT COUNCILS ; TO SPECIFY THE POWERS, DUTIES AND FUNCTIONS OF SUCH COMMITTEES ; TO SPECIFY THE POWERS, DUTIES AND FUNCTIONS OF THE DISTRICT MINISTERS IN RELATION TO SUCH COUNCILS AND COMMITTEES ; AND TO PROVIDE FOR ALL MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

BE it enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka as follows :—

1. This Act may be cited as the Development Councils Act, No. 35 of 1980. Short title.

PART I

CONSTITUTION AND COMPOSITION OF DEVELOPMENT COUNCILS

2. (1) The President shall, by Order published in the Gazette— Constitution of a Development Council.
- (a) constitute a Development Council for each administrative district :
- Provided that where one or more administrative districts or any parts thereof or any combination of them comprise an electoral district, the President may constitute a Development Council for such electoral district, and every reference to an administrative district in this Act shall be deemed to include a reference to such an electoral district ;
- (b) assign a name to the Development Council so constituted ;
- (c) specify the number of elected members that the Council so constituted shall consist of, so however that the number so specified shall be less than the number of Members of Parliament elected for the administrative district for which such Council is constituted :

Provided that where the number of Members of Parliament elected for the administrative district is less than three, the President shall specify such number of members, which together with the number of Members of Parliament elected for such administrative district shall be not less than five and for such purpose he may specify such number of members which may exceed the number of Members of Parliament elected for such administrative district.

(2) (a) Every Development Council constituted under subsection (1) shall be a body corporate with perpetual succession and a common seal and shall have power, subject to this Act, to acquire, hold and sell property, and may sue and be sued by such name as is assigned to it by the Order constituting such Council.

(b) The common seal of the Development Council shall remain in the custody of the District Secretary, and shall not be affixed to any contract or other instrument on behalf of the Council, except in the presence of the District Minister or Chairman of the Council and the District Secretary who shall sign their names to such contract or other instrument in token of their presence.

(3) No act or proceeding of a Development Council constituted under subsection (1) shall be deemed to be invalid by reason only of the existence of a vacancy among its members or any defect in the election of a member thereof.

**Composition
of a
Development
Council.**

3. (1) A Development Council shall consist of the following:—

(a) the Members of Parliament for each administrative district for which such Council is constituted (hereinafter referred to as “*ex officio* members”); and

(b) such number of elected members as are specified in the Order under section 2 constituting such Council (hereinafter referred to as “the elected members”).

(2) Notwithstanding the provisions of subsection (1), the Prime Minister or the Minister in charge of the subject of Local Government shall not be a member of the Development Council constituted for the administrative district within which the electoral district for which he is elected is situated.

(3) The President shall appoint any person qualified to be elected as a Member of Parliament in place of—

(a) the Prime Minister; and

(b) the Minister in charge of the subject of Local Government :

Provided however that, where the Prime Minister is the Minister in charge of the subject of Local Government, only one such person shall be appointed.

(4) Any person appointed under subsection (3) shall hold office at the pleasure of the President.

PART II

TERM OF OFFICE OF MEMBERS OF DEVELOPMENT COUNCILS

4. (1) The term of office of the elected members of a Development Council shall be four years from the date of election :

Term of
office of
elected
members
of a
Development
Council.

Provided however that, where an election is held before the expiry of the term of office of the elected members of a Development Council, the term of office of the members elected at the subsequent election shall commence on the day immediately after the date of expiry of the term of office of the first-mentioned members.

(2) Where a member is elected in place of an elected member of a Development Council who dies, resigns or otherwise vacates office, he shall, subject to the provisions of this Act, hold office for the unexpired period of the term of office of his predecessor.

(3) The Minister may by Order published in the *Gazette* extend the term of office of the elected members of a Development Council by a period of one year.

Executive Committee or District Minister to exercise powers &c., when the members of Development Council cease to hold office.

5. (1) The Executive Committee of a Development Council, or where such Executive Committee is dissolved, the District Minister shall exercise, perform and discharge the powers, duties and functions of such Council, during the period commencing from the date of the expiry of the term of office of the elected members of a Development Council and until the date of commencement of the term of office of the next elected members of the Council, and accordingly no other member of a Development Council shall exercise, perform and discharge such powers, duties and functions during such period.

(2) Upon a dissolution of Parliament, the *ex officio* members of a Development Council shall cease to function, and the Executive Committee of such Council, or where such Executive Committee is dissolved, the District Minister shall exercise, perform and discharge the powers, duties and functions of such Council until the conclusion of a General Election of the Members of Parliament, and accordingly no other member of such Council shall exercise, perform and discharge such powers, duties and functions during such period.

PART III

MEETINGS AND CONDUCT OF BUSINESS OF A DEVELOPMENT COUNCIL

General meeting of the Council.

6. (1) As soon as convenient after the commencement of the term of office of the elected members of a Development Council or after the general election of Members of Parliament, the District Secretary shall, by written notice, summon all the members of the Council to a general meeting of the Council, notwithstanding anything to the contrary contained in section 7.

(2) Where for any reason such general meeting of the Council is not held on the date appointed under subsection (1) for the purpose, the District Secretary may, by further written notice or notices, appoint as often as may be necessary any other date for that meeting, so however that such other date is within a period of three months next succeeding the date first appointed by him under subsection (1).

7. (1) A Development Council shall have at least twelve general meetings in every year.

Meetings of
Development
Councils.

(2) The Chairman of the Council may, whenever he thinks fit, and shall, upon written requisition signed by any three members, call a special meeting of the Council to be held at the District Office.

(3) The Chairman shall cause notice in writing of every general or special meeting or adjourned meeting of the Council, and of the business to be transacted thereat to be served on each member at least four days before the meeting.

(4) Without the permission of a Development Council, no business shall be brought before or transacted at any general or special meeting, other than the business specified in the notice of the meeting.

8. (1) No business shall be transacted at any meeting of the Council unless one-third of the number of members in office on the day of that meeting is present. Where one-third of the number of members is an integer and fraction, the integer immediately higher to that integer and fraction shall be deemed to be the one-third of the number of members for the purpose of this subsection.

Quorum and
how matters
to be
decided.

(2) All matters or questions authorized by this Act or by any other written law to be decided by a Development Council shall be decided by a majority of the members present and voting at any general or special meeting.

9. The Chairman shall preside at all meetings of the Development Council, or if he is absent, the members present shall elect another member to preside at the meeting.

Presidency
at meet-
ings of the
Council.

10. If, at any general or special meeting of a Development Council, there is not a sufficient number of members present to form a quorum, the meeting shall stand adjourned to such date, not more than fifteen days after the date of the meeting so adjourned, as the Chairman determines, or in the absence of the Chairman, as the member who presides at the meeting, determines. No business other than business which would have been brought before the meeting so adjourned if there had been a quorum present, shall be brought before, and disposed of, at such adjourned meeting.

Adjourn-
ment in
case of
absence
of quorum.

11. The Chairman or other member presiding at any general or special meeting at which a quorum of the Council is present may, with the consent of the meeting, adjourn the meeting from time to time; but no business shall be transacted without the permission of the Council at any adjourned meeting other than the business left unfinished at the meeting from which such adjournment took place.

Adjourn-
ment of
meetings of
the Council.

Minutes
of
proceedings.

12. Minutes of the proceedings of all meetings of a Development Council shall be drawn up and fairly entered in a book to be kept for that purpose, and shall be signed by the Chairman or other presiding member after each meeting and such minutes shall at all reasonable times be open at the District Office to the inspection, free of charge, of any member, and to the inspection of any other person on payment of a fee of one rupee.

Casting
vote.

13. Where the votes of the members present and voting at any meeting of the Council, are equally divided in regard to any question, the Chairman or other member presiding at such meeting shall, in addition to his own vote as a member, have a casting vote.

Notices
may be
served
by post.

14. All notices of meetings of the Council may be forwarded by post addressed to the usual or last known place of abode of the member to be served; and where a notice is so forwarded by post it shall be deemed to have been served at the time when the letter containing the same would be delivered in the ordinary course of post.

Special
committees
of the
Council.

15. A Development Council may, from time to time, appoint from among the members of the Council, special committees consisting of such number of members as it thinks fit for the purpose of inquiring into and reporting upon any matter relating to the affairs of such Council.

Vacation of
office by
members.

16. (1) Any member of a Development Council who, without leave of the Council first obtained, fails to attend meetings of the Council for a period of three months shall *ipso facto* vacate his office.

(2) Where a member who vacates office under subsection (1) is an *ex officio* member of the Council, the District Secretary shall inform the Commissioner of Elections of such vacation. The Commissioner shall thereupon direct the secretary of the recognized political party or the leader of the independent group, as the case may be, to which such member belonged at the time of such vacation, to nominate within one month from the date of such direction a person qualified to be a Member of Parliament in place of such member, and such secretary or leader shall comply with such direction:

Provided that when the person nominated under the preceding provisions of this subsection vacates office under subsection (1), or the secretary of the recognized political party or the leader of the independent group fails to comply

with a direction issued by the Commissioner, the President may nominate a person who is qualified to be a Member of Parliament in place of the member who has vacated office under subsection (1).

(3) Any person nominated under subsection (2) shall hold office as such *ex officio* member for the unexpired period of the term of office of the member whom he succeeds.

PART IV

DUTIES AND FUNCTIONS OF DEVELOPMENT COUNCILS

17. (1) The functions of a Development Council shall include—

Functions of
Develop-
ment
Councils.

- (a) the approval of the annual development plan submitted to it by the Executive Committee ;
- (b) the implementation of such plan through the Executive Committee ;
- (c) the making of by-laws ;
- (d) the investment of the revenue of the Council for development purposes ;
- (e) the formulation of a development scheme in respect of any subject not included in the First Schedule to this Act and the submission of such schemes to the appropriate Minister for approval with the concurrence of the Minister.

(2) The appropriate Minister may, with the concurrence of the Minister, by Order published in the *Gazette*, transfer to a Development Council the implementation of any such development scheme or work as shall be specified in such Order, being a scheme or work relating to any subject not included in the First Schedule to this Act, subject to such terms and conditions as may be specified in such Order.

(3) An Order under subsection (2) shall contain all such provisions as may be necessary to give force and effect to the transfer to which the Order relates.

Development Councils successors to Town Councils and Village Councils and not to perform and discharge certain duties and functions in Municipal and Urban areas.

18. (1) A Development Council shall not perform or discharge any duty or function imposed on or assigned to it by or under this Act, within the administrative limits of any Municipality or any Urban area situated within the administrative district for which such Development Council is constituted, where such duty or function has been imposed on or assigned by the Municipal Councils Ordinance, the Urban Councils Ordinance or any other written law, to any Municipal Council or Urban Council constituted for that Municipality or Urban area, by or under the Municipal Councils Ordinance or the Urban Councils Ordinance, as the case may be.

(2) With effect from such date as may be determined by the Minister by Order published in the *Gazette*—

(a) the Development Council shall exercise, perform and discharge such powers, duties and functions as were exercised, discharged or performed by a Town Council or a Village Council constituted for any town or village area situated within the administrative district for which a Development Council has been constituted or by any person who is administering the affairs of any such Council, under the provisions of the Town Councils Ordinance or the Village Councils Ordinance, as the case may be, and accordingly any reference in those Ordinances or in any other written law to any Town Council or Village Council shall be deemed to be a reference to a Development Council ;

(b) all property whether movable or immovable and the assets and liabilities of any such Town Council or Village Council shall be deemed to be the property and the assets and liabilities of such Development Council ;

(c) the employees of such Town Council or Village Council, who are members of the Local Government Service established by the Local Government Service Law, No. 16 of 1974, shall continue to be members of such Service ; and all existing posts in Town Councils and Village Councils shall continue as posts in the Development Councils and such posts shall not be abolished except with the approval of the Minister ;

- (d) all other employees of such Town Councils or Village Councils shall be officers and servants of the district service established under section 47 on terms and conditions not less favourable than those enjoyed by them immediately prior to the date determined under this section ;
- (e) all rules made by the Minister under the Town Councils Ordinance and the Village Councils Ordinance, and all by-laws made by such Town Council or such Village Council, and in force in any area immediately prior to the date determined under this section, shall, *mutatis mutandis*, be deemed to be by-laws made by such Development Council and shall apply within that area ;
- (f) any officer administering the affairs of such Town Council or Village Council shall, with effect from the date determined under this section, cease to function as such officer.

PART V

THE DEVELOPMENT FUND

19. (1) Every Development Council shall, for its general financial purposes, establish a Development Fund (hereinafter referred to as the "Fund").

The Development
Fund
and its
constituents.

- (2) There shall be payable into the Fund—
 - (a) all rates, taxes, duties, fees and other charges levied by the Council by virtue of this Act or of any other written law ;
 - (b) all fines levied and penalties recovered under the authority of this Act, or any enactment the administration of which may be vested in the Council ;
 - (c) all sums realized by sale, leases or other transactions of the Council ;
 - (d) all revenue derived by the Council from any property vested in the Council or by the administration of any public service ;
 - (e) all sums and all sources of revenue from time to time appropriated or made over to the Council by Parliament, whether by resolution or otherwise ;
 - (f) all grants and appropriations allocated to the Council by the appropriate Minister in consultation with the Minister ;

- (g) the proceeds of all loans raised by the Council with the prior approval of the Minister in charge of the subject of Finance in consultation with the Minister;
- (h) any donations or other assistance made generally or for any specified project with the approval of the Minister ;
- (i) all sums otherwise accruing to the Council in the course of the exercise of its powers and duties.

Moneys received by Development Council to be lodged with the bank.

20. All moneys received by a Development Council and payable into the Fund shall be lodged with an approved bank, and shall be credited to an account entitled "the Development Fund".

In this section "approved bank" means a bank specified by the Minister with the concurrence of the Minister in charge of the subject of Finance by Order published in the *Gazette* as a bank in which the moneys of a Development Council may be lodged.

Power to invest any part of the Fund.

21. Any part of the Fund may be invested by the Executive Committee on behalf of the Council, in any one or more of the following investments :—

- (a) stock or other securities of the Government ;
- (b) any other securities guaranteed by the Government ;
- (c) any other investment approved by the Minister with the concurrence of the Minister in charge of the subject of Finance.

Application of the Fund.

22. (1) There shall be paid out of the Fund by each Executive Committee—

- (a) all sums incurred by the Council in the implementation of the annual development plan or any other development scheme or work transferred to the Council under section 17 ;
- (b) all sums payable by the Council in respect of any liability incurred under the Workmen's Compensation Ordinance ;
- (c) all sums payable by the Council as premium for the insurance of any property belonging to, or vested in, the Council ; or for insurance against any liability that may be incurred by the Council under the Workmen's Compensation Ordinance ;
- (d) all sums which the Council is authorized or required to refund by or under this Act, or any other written law ;
- (e) all expenses incurred by the Council in the acquisition of land necessary for any public purpose :

- (f) all contributions voted by the Council for the purpose of recreation or entertainment in the district, or for the relief of the poor or the support of any charitable or benevolent society or institution, or for any fund or scheme constituted or established for the purposes of granting relief or assistance to officers or servants of the Council in cases of sickness, indebtedness or distress ;
- (g) such contributions not exceeding in the aggregate two thousand rupees in any year as may be voted by the Council towards the cost of any public ceremonies, and any other contributions voted by the Council with the prior sanction in writing of the Minister, towards the cost of any such ceremonies ;
- (h) all expenses incurred by the Council in the establishment and maintenance of any form of public service which the Council is authorized to establish, maintain or provide by or under this Act or any other written law ;
- (i) such salaries, allowances or honoraria payable to members of the Council and to officers and employees of the district service as may be determined by the Minister ;
- (j) all sums which are required or authorized to be paid out of the Fund by or under this Act or any other written law.

(2) No payment shall be made out of the Fund except on the authority of a resolution of the Council.

23. All orders or cheques for the payment of moneys out of the Fund shall be signed by the District Secretary or an officer authorized by him to sign on his behalf and two other officers from among the officers specially authorized by the Development Council for that purpose, and the bank in which the Fund is established may pay all orders or cheques against the said Fund which are so signed.

Orders,
cheques, &c.,
for pay-
ment out
of the
Fund.

24. At each general meeting of a Development Council the Chairman shall submit to the Council a statement of receipts and disbursements on account of the Fund from the close of the previous year up to the close of the month preceding that in which the meeting takes place. Such statement, together with the minutes of the proceedings of the meeting, shall be forwarded forthwith to the Auditor-General for his information.

Statement
of
receipts,
disbursements
&c. on
account of
the Fund.

PART VI

TAXATION AND ASSIGNMENT OF REVENUE

Power of Development Council to levy taxes &c.

25. A Development Council shall, in relation to any development plan, have the power to levy by a by-law, such taxes, rates or other charges as may be determined by the Council and approved by the Minister with the concurrence of the Minister in charge of the subject of Finance and such by-law shall, in accordance with section 70, have effect upon confirmation by Parliament and notification of such confirmation published in the *Gazette*.

Cabinet of Minister to allocate funds to Development Councils.

26. The Cabinet of Ministers may allocate to Development Councils, certain revenue paid to, or recovered by, the Government for the purposes of the exercise, discharge and performance of their powers, functions and duties. Such sums shall be paid upon a resolution of Parliament.

PART VII

LOANS

Borrowing powers of Development Councils.

27. A Development Council may, with the sanction of the Minister and the concurrence of the Minister in charge of the subject of Finance, borrow from the Government or any bank or other institution such sums as may be required for any of the purposes of the Council.

Development Council may raise money by mortgage.

28. Where a Development Council is authorized by or under this Act to borrow money, the Council may, subject to the provisions of this Act, raise the money by mortgage.

Money borrowed charged on revenue of Council.

29. (1) All moneys borrowed by a Development Council under this Act shall be charged indifferently on all the taxes, property and revenue of the Council.

(2) Subject to the provisions of this section, all mortgages created by a Development Council under this Act shall rank equally without any priority.

Regulations to be made by the Minister.

30. The Minister with the concurrence of the Minister in charge of the subject of Finance may make regulations for the purpose of carrying out or giving effect to the principles and provisions of this Part.

PART VIII

EXECUTIVE COMMITTEE

31. (1) There shall be an Executive Committee of a Development Council consisting of the District Minister, the Chairman of the Development Council and not more than two other members of the Council appointed by the District Minister in consultation with the Chairman :

Executive
Committee
of a
Development
Council.

Provided that where the Executive Committee is dissolved under section 61 (2), the new Executive Committee appointed in place of the dissolved Committee shall consist of the District Minister and two other members of the Council who will command the confidence of such Council to be appointed by the District Minister.

(2) The District Minister shall be the head of the Executive Committee and shall in consultation with the Chairman and with the concurrence of the President, determine the nature of the functions to be assigned to each member of the Executive Committee.

(3) Each member of the Executive Committee shall be responsible for the discharge within the district, of each function assigned to him under subsection (2).

(4) The members of the Executive Committee shall be both individually and collectively responsible to the Council.

32. The District Minister shall preside at the meetings of the Executive Committee of a Development Council.

Presidency
at meetings
of the
Executive
Committee.

33. The quorum for any meeting of the Executive Committee of a Development Council shall consist of three members of such Committee :

Quorum.

Provided that in the case of a Committee appointed under section 61 (3), the quorum shall be two members.

34. The Executive Committee shall meet at least once in every month. The District Secretary or in his absence an officer authorized by him in writing, shall be present at the meetings of the Executive Committee and shall keep minutes of the proceedings of such meetings.

Meetings
of the
Executive
Committee

Functions
of an
Executive
Committee.

35. The Executive Committee of a Development Council shall—

- (a) in respect of all or any of the subjects specified in the First Schedule to this Act, consider the draft development proposals prepared by the appropriate Minister, formulate other proposals in consultation with the appropriate Minister, prepare an annual development plan incorporating all or any such proposals and submit such plan through the Minister to the Development Council for its approval;
- (b) prepare a budget containing an estimate of the available income and the details of the proposed expenditure for the ensuing financial year;
- (c) conduct the administration of the Council;
- (d) implement the annual development plan;
- (e) exercise, discharge and perform such powers, functions and duties as are delegated to it by the District Minister with the concurrence of the President.

Powers
of an
Executive
Committee.

36. (1) Subject to the provisions of subsection (2) and the other provisions of this Act and the regulations made thereunder, an Executive Committee shall, on behalf of the Development Council, exercise the following powers—

- (a) create all such posts or offices as it may deem necessary;
- (b) make appointments to posts or offices referred to in paragraph (a), and assign to such posts or offices such salary, allowance or remuneration as the Committee in consultation with the Minister thinks fit;
- (c) sell by public auction or otherwise than by public auction, or lease, either in blocks or in parcels, any land or building belonging to, or vested in, the Council—
 - (i) in the case of any land or building referred to in section 88, with the sanction of the President;
 - (ii) in the case of any property referred to in section 18 (2) (b), with the approval of the Minister;

- (d) purchase or take on lease any land or building ;
- (e) subject to the express provisions of this Act, enter into any contract with any person for any work to be done, or services to be rendered, or goods or materials to be supplied ;
- (f) make by any officers authorized in that behalf and the workmen accompanying them all such entries into lands and buildings and inspections thereon as may be necessary for the detection, prevention and abatement of all contraventions of this Act or of by-laws or regulations made thereunder, or for the performance of acts required to be done by or under this Act in respect of which the owner or occupier of such premises is, or may be deemed to be, in default ;
- (g) institute or defend any legal proceedings which the Council may deem necessary to institute or defend for the purpose of enforcing or protecting the rights of the Council or of protecting any officers or members in the execution or intended execution of their duties ;
- (h) with the approval of the Minister and with the concurrence of the Minister in charge of the subject of Finance, raise loans for the implementation of the annual development plan, or for the exercise and discharge of any of the powers and functions of such Council ;
- (i) purchase any land or other immovable property which may be sold in execution of any judicial decree or order obtained by the Council against any person whomsoever, and resell the same ;
- (j) exercise, perform and discharge all powers, duties and functions as are by this Act vested in or assigned to the Council, and are incidental to and consequential upon the exercise, performance and discharge of its powers, duties and functions under this Act.

(2) Subject to section 18 (2) (c), the provisions of the Local Government Service Law, No. 16 of 1974, shall apply to a Development Council in respect of all officers and servants other than officers and servants whose posts are of a temporary or casual nature or the maximum salary per annum assigned to such posts does not exceed an amount prescribed by the Minister.

Casting
vote.

37. Where the votes of the members present and voting at any meeting of the Executive Committee are equally divided in regard to any question, the District Minister shall, in addition to his own vote as a member, have a casting vote.

Notices may
be served
by post.

38. All notices of meetings of an Executive Committee may be forwarded by post addressed to the usual or last known place of abode of the member to be served; and where a notice is so forwarded by post it shall be deemed to have been served at the time when the letter containing the same would be served in the ordinary course of post.

PART IX

ANNUAL DEVELOPMENT PLAN AND BUDGET

Annual
development
plan and
budget.

39. (1) The annual development plan considered by the Executive Committee of a Development Council under section 35 (a) shall be submitted by such Committee through the Minister to the Council for its approval.

(2) The Executive Committee shall prepare a budget containing an estimate of the available income and details of the proposed expenditure of the Council for the ensuing financial year.

Procedure in
regard to
annual
development
plan and
budget.

40. Every annual development plan and budget of a Development Council shall—

(a) be circulated among the members at least seven days prior to the date of the meeting of the Council before which they are laid; and

(b) be open to public inspection at the District Office or at such other place as the Chairman may determine, for seven days prior to the said date and notice thereof shall be given by the Chairman in the *Gazette* and in two or more of the newspapers circulating within the administrative district for which such Council is constituted.

Development
Council to
consider
annual
development
plan and
budget.

41. Every Development Council shall finally approve the annual development plan and the budget at a special meeting to be called prior to the end of the financial year.

42. (1) The Executive Committee may at any time prepare a supplementary budget and lay it before the Council.

Supplementary budget.

(2) Every supplementary budget shall—

- (a) be circulated among the members at least seven days prior to the meeting of the Council before which it is laid ;
- (b) be open to public inspection at the District Office or at such other place as the Chairman may determine, for seven days prior to the said meeting and notice thereof shall be given by the Chairman in the *Gazette* and in two or more of the newspapers circulating within the administrative district for which such Council is constituted.

43. It shall be in the discretion of a Development Council to approve with amendments or modifications all or any of the items in any budget or supplementary budget or annual development plan or to add any item thereto.

Powers of Development Council with regard to budget, supplementary budget and the annual development plan.

44. The Development Council shall, after it has approved the annual development plan under section 43, submit such plan to the Minister for his approval and upon such approval, such plan shall constitute the annual development plan of that Council for that year.

Annual development plan to be approved by the Minister.

45. The authority for expenditure conveyed by any budget or supplementary budget passed by a Development Council shall expire at the end of the financial year to which such budget or supplementary budget relates.

Lapse of authority for expenditure sanctioned by budget.

46. A Development Council may, in case of necessity, during any year, reduce or increase the expenditure under any head of the budget or of any supplementary budget, or may transfer the moneys assigned under one head of expenditure to another head :

Reduction or increase of expenditure.

Provided that the total amount of expenditure sanctioned by the budget or by any supplementary budget passed by the Council shall not be exceeded.

PART X

STAFF

The district
service.

47. (1) There shall be a district service consisting of—
- (a) officers and servants of the Development Councils;
 - (b) such other officers and servants as may be appointed to the Council under section 49.

(2) Every officer or servant of the district service shall be subject to the disciplinary and supervisory control of the Executive Committee of the Council in which he is for the time being employed.

(3) Notwithstanding anything in the Industrial Disputes Act, that Act shall not apply to or in relation to an officer or servant of the district service and the provisions of the Local Authorities (Special Provisions) Act, No. 3 of 1979, shall, *mutatis mutandis*, apply to and in relation to any officer or servant of such service.

Appointment
of District
Secretary.

48. (1) The President shall, in consultation with the District Minister, and where he considers it necessary in consultation with the Chairman of the Council appoint in respect of each Development Council, a District Secretary who shall, subject to the direction of the Executive Committee, exercise supervision over all members of the district service appointed to his district.

(2) The District Secretary shall be the chief accounting officer of the Council.

Appointment
of staff to
the district
service from
other
services.

49. (1) At the request of the Executive Committee any officer of the public service may, with the consent of the officer and of the Secretary to the Ministry of the Minister in charge of the subject of Public Administration, be temporarily appointed to the district service or be permanently appointed to such service.

(2) Where any officer of the public service is temporarily appointed to the district service, the provisions of section 13(2) of the Transport Board Law, No. 19 of 1978, shall, *mutatis mutandis*, apply to, and in relation to, him.

(3) Where any officer of the public service is permanently appointed to the district service, the provisions of section 13(3) of the Transport Board Law, No. 19 of 1978, shall, *mutatis mutandis* apply to, and in relation to, him.

(4) At the request of the Executive Committee any member of the Local Government Service or any officer or servant of a local authority may, with the consent of such

member, officer or servant and the Local Government Service Advisory Board, or the authority, as the case may be, and the Secretary to the Ministry of the Minister in charge of the subject of Local Government, be temporarily appointed to the district service or be permanently appointed to such service on such terms and conditions, including those relating to pension and other rights as may be agreed upon by the Development Council constituted for the administrative district and the Board or authority, as the case may be.

(5) Where any member of the Local Government Service, or any officer or servant of any local authority, is temporarily appointed to the district service, he shall be subject to the same disciplinary control as any other member of the service.

PART XI

ACCOUNTS AND CONTRACTS

50. The Chairman of a Development Council shall, as soon as possible after the close of each financial year, prepare a detailed report of the administration of the Council during the previous year, with a statement showing the nature and amount of receipts and disbursements on account of the Fund during that year. Such report and statement shall be submitted to the Council, and with any resolution that may be passed thereon by the Council, shall be submitted to the Minister within six weeks of the date when the same were first submitted to the Council.

Annual
administration
report.

51. The provisions of Article 154 of the Constitution relating to the auditing of accounts shall apply in relation to the audit of accounts of each Development Council.

Audit of
accounts.

52. The auditor shall submit a monthly report of his audit to the Council, and shall also submit an annual report of such audit to the Council and a duplicate of such annual report to the Minister as soon as possible after the close of the financial year.

Auditors'
reports.

53. (1) The Minister may by written order direct the auditor or auditors appointed under Article 154 of the Constitution to call the attention of the Council to any material defect, impropriety or irregularity in the expenditure of moneys by, or in the recovery of moneys due to, the Council or in the accounts of the Council.

Irregularities
in accounts.

(2) The Council shall report to the auditor as soon as possible the action which it has taken, or which it proposes to take, in respect of any such defect, impropriety or irregularity.

(3) The auditor may make such orders as he thinks fit upon such report, and such orders shall be final and shall be complied with by the Council and all other persons.

Powers of Council in relation to auditor.

54. A Development Council may from time to time require the auditor of its accounts to furnish information concerning the extent, method or progress of any audit or to make any special audit.

Remuneration of auditor.

55. Every Development Council shall from time to time pay out of the Fund to the Deputy Secretary to the Treasury as remuneration to the auditor of its accounts, such sums as the Minister may certify as reasonable for his services.

Surcharges and appeals therefrom.

56. (1) The auditor of the accounts of a Development Council, acting in pursuance of the powers conferred upon him by this Act or any other enactment shall disallow every item of the accounts of the Council which is contrary to law, and surcharge the same on the person making or authorizing the making of the illegal payment, and shall charge against any person the amount of any deficiency or loss incurred by the negligence or misconduct of that person and any amount which ought to have been, but is not, brought into account by that person, and shall, in each case, certify the amount due from such person and communicate his decision in writing to such person through the District Secretary:

Provided that no expenses incurred by the Council shall be disallowed by any such auditor if such expenses have been sanctioned by the Minister.

(2) Before making any disallowance or surcharge against any person, the auditor shall afford an opportunity to such person to be heard or to make any representation with regard to the matter which he may think fit, and shall, in the event of his making such disallowance or surcharge, furnish such person in writing, on application being made to him for that purpose, with the reasons for his decision in respect of such disallowance or surcharge.

(3) Any person aggrieved by any such disallowance or surcharge may appeal therefrom to the Court of Appeal, and the Court of Appeal may either confirm such disallowance or surcharge, or if it determines that such disallowance or surcharge, is not in accordance with law, may modify or set aside such disallowance or surcharge accordingly. Every appeal under this subsection shall be presented, prosecuted and enforced within the time, and in the manner, and subject to the rules prescribed in relation to appeals from interlocutory orders of the District Court, and all proceedings in connection therewith shall be subject to the same stamp duties as appeals from the District Court.

(4) In lieu of an appeal under subsection (3), any person aggrieved may, within thirty days of the date of the decision of the auditor duly communicated to him, appeal from such decision to the Minister :

Provided that no such appeal shall be entertained in any case in which the appellant has failed or neglected to make any representation with regard to the matter of such disallowance or surcharge after an opportunity to do so has been afforded to him by the auditor in accordance with the provisions of subsection (2).

(5) Upon an appeal to the Minister under subsection (4) the Minister shall decide the same according to the merits of the case, and may by order direct the recovery from the appellant of the whole or any portion of the amount disallowed or surcharged, if he thinks fit to do so ; and if he finds that any disallowance or surcharge has been lawfully made, but that the subject-matter thereof was incurred in such circumstances as to make it fair and equitable that the disallowance or surcharge should be remitted, the Minister may by order direct that the same shall be remitted, but that the amount of the costs and expenses which may have been incurred by the auditor in the enforcing of such disallowance or surcharge or any portion thereof, shall be recovered from such person.

(6) Any amount directed to be recovered from any such person by any order made by the Minister under this section may forthwith be recovered by the District Secretary in the same manner as any sum certified to be due by an auditor is recoverable under the provisions of this section.

(7) Every sum certified to be due from any person by any auditor as aforesaid shall be paid by such person to the District Secretary within fourteen days after the decision of the auditor has been communicated to such person, unless there is an appeal against the decision, and if such sum is not paid and there is no such appeal, it shall be the duty of the District Secretary to recover the same from such person, and any sum so certified, together with all costs and expenses incurred in connection with the enforcement thereof, may, on application to a Magistrate having jurisdiction be recovered in the same manner as if it were a fine imposed by such Magistrate.

Contracts involving expenditure not exceeding five thousand rupees.

57. The District Secretary may, on behalf of the Council, enter into any contract for the execution or performance of any work or service, or for the supply of any articles or materials, involving an estimated expenditure of not more than five thousand rupees, if the contract will not or is not expected to endure for more than one year, and the necessary funds have been provided for the same in a sanctioned budget or by supplementary budget.

Contracts involving expenditure exceeding five thousand rupees.

58. Any contract for the execution or performance of any work or service or for the supply of any articles or materials for a Development Council which involves an estimated expenditure of more than five thousand rupees, or which will or is expected to endure for more than one year, shall, if entered into in Sri Lanka, be reduced to writing, and signed by the Chairman and the District Secretary on behalf of the Council, and sealed with the common seal of the Council; and, in addition to such other matters as may be deemed necessary for inclusion in any such contract, shall specify—

- (a) the work or services to be executed or performed or the articles or materials to be supplied;
- (b) the price or rate to be paid for the work, service, articles or materials;
- (c) the time or times within which the work or service is to be completed, or the articles or materials are to be supplied; and
- (d) any penalty or penalties to be imposed in case of breach.

59. Any officer or servant of a Development Council who has directly or indirectly any concern or interest in any contract or work made with or executed for the Council shall be liable to dismissal from his office or employment; and if his concern or interest is otherwise than as a shareholder in a joint stock company he shall be guilty of an offence and shall, upon conviction after summary trial before a Magistrate, be liable to a fine not exceeding five hundred rupees.

Officers and servants not to be interested in contracts of Council.

60. Before any such contract as is referred to in section 58 is entered into—

Tenders.

- (a) the District Secretary shall, if the Council so directs, take sufficient security for the due performance of the contract;
- (b) the District Secretary shall, unless authorized by a resolution of the Council in any particular case, call for tenders by advertisement;
- (c) the invitations to tender and the tenders, if any, or copies thereof, shall be laid before the Council which shall either accept one of such tenders, or reject all of them; and
- (d) the contract shall be sanctioned by the Council, after satisfying itself that the necessary funds have been provided for the same in a sanctioned budget or supplementary budget.

PART XII

GENERAL CONTROL

61. (1) Where any difference arises between the District Minister and the Executive Committee of the Development Council constituted for an administrative district regarding the application of the general policy of the Government to the district, it shall be the duty of such District Minister to bring such differences to the notice of the President.

Duty of District Minister to notify any difference of opinion between him and the Committee to the President.

(2) Where such differences between a District Minister and the Executive Committee of the Development Council constituted for such administrative district appear to the President to be irreconcilable, he may dissolve such Executive Committee.

(3) Where in pursuance of the powers conferred on him by subsection (2), the President dissolves the Executive Committee of a Development Council constituted for an administrative district, the District Minister shall, with the concurrence of the President, appoint a new Executive Committee in accordance with the proviso to subsection (1) of section 31.

Power of
President to
remove
members of
Executive
Committee.

62. (1) The President may, if he is satisfied that there is sufficient proof of incompetence or mismanagement on the part of all or any of the members of an Executive Committee, as the circumstances of each case may require, by Order published in the *Gazette*, remove from office such member or members, after affording such member or members an opportunity of being heard.

(2) Where any member is removed under subsection (1), the District Minister shall, in consultation with the Chairman, appoint another member in place of the member so removed :

Provided that where the Chairman of the Council has been removed under subsection (1), the consultation of such Chairman shall not be necessary.

Dissolution of
Development
Council.

63. (1) If at any time the Minister is satisfied that there is sufficient proof of—

- (a) incompetence and mismanagement ; or
- (b) persistent default in the performance of the duties imposed by this Act ; or
- (c) persistent refusal or neglect to comply with any provisions of law ; or
- (d) abuse of the powers conferred by this Act ; or
- (e) persistent refusal to hold or attend meetings or to vote or to transact business at any meeting to be held,

on the part of the Chairman, or on the part of any Development Council, or of any of the members thereof, the Minister may, as the circumstances of each case may require, by Order published in the *Gazette*—

- (i) remove the Chairman from office ; or
- (ii) remove all or any of the elected members of the Council,

and such Order shall as soon as may be convenient be laid before Parliament.

(2) The Minister shall, before making an Order under subsection (1), appoint for the purpose of satisfying himself in regard to any of the matters referred to in subsection (1), a retired judicial officer to inquire into and report upon such matter within a period of three months, and the person so appointed shall in relation to such inquiry have the powers of a Commission of Inquiry appointed under the Commissions of Inquiry Act.

(3) (a) When the Minister appoints a retired judicial officer under subsection (2) to inquire into any matter the Minister may, as the circumstances of such case may require, by Order published in the *Gazette*—

(i) suspend the Chairman from office and direct the District Secretary to exercise the powers and perform the duties of the Chairman ; or

(ii) suspend all or any of the elected members from office and where he suspends all the elected members from office, direct the District Secretary to exercise the powers and perform the duties of the Council and its Chairman and thereupon the other members shall cease to function.

(b) Upon the receipt of the report of the person appointed under subsection (2), the Minister may make an Order under subsection (1), or revoke the Order made under paragraph (a) of this subsection.

(4) Where the Minister removes the Chairman of a Development Council from office by Order under subsection (1), the Chairman shall also cease to be a member of such Council.

(5) Where all the elected members of a Development Council are removed under subsection (1) the other members shall cease to function, and—

(a) the District Minister shall exercise, perform and discharge the powers, duties and functions conferred or imposed on, or assigned to, the Council by this Act or other written law ;

(b) the Minister may at any time, by Order published in the Gazette, direct that an election be held to elect the new members of the Council and such members shall, notwithstanding the provisions of section 4, hold office for a period of four years.

Power of Minister to call for extracts from proceedings.

64. The Minister may by written order require any Development Council to furnish him with any extract from any proceedings of the Council, or of any special committee of the Council and the Council shall comply with the requirements of such order without unreasonable delay.

Power of Minister to call for returns &c.

65. The Minister may at all times call for such returns, information and statistics connected with the working, income and expenditure of any Development Council as he deems fit; and the Council shall comply with the requirements of such notice without unreasonable delay.

Power of Minister to make inquiry.

66. If at any time it appears to the Minister that any Development Council is omitting to fulfil any duty or to carry out any work imposed upon it by this Act or any other written law he may give notice to the Council that unless, within fifteen days, the Council shows cause to the contrary, he will appoint a special officer to inquire into and report to him the facts of the case, and to recommend what steps such officer thinks necessary for the purpose of fulfilling such duty or carrying out such work. Such inquiry shall be conducted as far as may be practicable, in an open manner.

Power of Minister to make order requiring Council to do the necessary work.

67. On the receipt of the report of the officer appointed under section 66, the Minister may determine what duty or work shall be done or executed, and make an order requiring the Council, within a time to be specified in such order, to fulfil such duty or carry out such work.

Power to enforce order.

68. Where any Development Council fails to comply with any order made under section 67, within the time specified therein, the Minister may direct the District Minister or appoint any other person to fulfil such duty or carry out such work, and may fix the remuneration to be paid to such person, and may direct that such remuneration and the cost of such work shall be defrayed out of the Fund.

PART XIII

BY-LAWS

69. (1) Every Development Council may from time to time make, and when made may revoke or amend, such by-laws as may appear necessary for the purpose of carrying out the powers and duties vested in the Council under this Act and the implementation of the annual development plan.

Power to
make
by-laws.

(2) Without prejudice to the generality of the powers conferred by subsection (1), by-laws made by a Development Council may provide for all such matters as may be necessary for the purpose of the exercise, discharge and performance of its powers, functions and duties under this Act or any written law.

(3) Every contravention of a by-law made by a Development Council shall be an offence under this Act and shall be punishable—

- (a) in the case of a first offence, with a fine not exceeding one hundred rupees ;
- (b) in the case of a second or subsequent offence, with a fine not exceeding two hundred rupees ; and
- (c) in the case of a continuing offence, with an additional fine not exceeding twenty-five rupees for every day during which the offence is continued after a conviction or after service of a written notice from the Chairman directing attention to such contravention.

70. (1) No by-law shall have effect until it has been confirmed by Parliament and notification of such confirmation is published in the *Gazette*.

Confirmation
and
publication
of by-laws.

(2) Every by-law shall, upon the notification of such confirmation, be as valid and effectual as though it were herein enacted.

71. (1) The Minister may make regulations in respect of all matters which are stated or required by this Act to be prescribed or for which regulations are required or authorized by this Act to be made.

Regulations.

(2) No regulation made under this Act shall have effect until it has been approved by Parliament and notification of such approval is published in the *Gazette*.

(3) Every regulation made under this Act shall, upon the notification of such approval, be as valid and effectual as though it were herein enacted.

Copies of by-laws and regulations to be made available.

72. Copies of all by-laws made by a Development Council and of all regulations made in respect thereof shall be kept in the District Office, and shall be available for inspection or sale to the public.

PART XIV

GENERAL

Development Council may enter into contracts.

73. (1) A Development Council may enter into any contract necessary for the discharge of any of its functions.

(2) A person entering into a contract with a Development Council shall not be bound to inquire whether any written law applicable in that behalf has been complied with, and all contracts entered into by the Council, if otherwise valid, shall have full force and effect, notwithstanding that such written law has not been complied with.

Prevention of Frauds Ordinance not to apply.

74. None of the provisions of the Prevention of Frauds Ordinance shall apply to any sale, lease, mortgage, release or other agreement or contract affecting immovable property to which a Development Council is a party.

Recovery of taxes.

75. (1) If the amount of any tax imposed under this Act is not paid into the District Office within such time as the Council may direct, a warrant signed by the District Secretary shall be issued to some collector or other officer of the Council named therein directing him to levy such tax and the costs of recovery by the seizure and sale of the property on account of which such tax may be due, and of all movable or immovable property of the defaulter.

(2) Every warrant issued under subsection (1) shall be in such form as may be prescribed by by-law which the Council is hereby authorized to make under this Act.

(3) A Development Council may by resolution waive the whole or any part of any tax and any costs incurred for the purpose of recovering that tax if it appears to the Council that the amount to be waived is inconsiderable or irrecoverable or that it should be written off on the ground of the poverty of the person liable therefor; and, in any case where any such resolution is passed, no warrant under subsection (1) shall be issued and any such warrant that may have been issued shall be recalled.

76. (1) Every notice, order or other document required or authorized by this Act or any by-law, or regulation made thereunder to be served on any person may be served—

Service
of
notices,
orders
and
other
documents.

(a) by the delivery thereof to such person, or by the delivery thereof at the last known place of abode of such person to some adult member or servant of his family ;

(b) by the delivery thereof at the usual or last known place of abode or business of such person in a cover addressed to such person ; or

(c) by the despatch thereof by registered post in a letter addressed to such person at his usual or last known place of abode or business :

Provided always that where a Development Council has made provision for the registration of owners of property and any owner of property has registered his name and address in accordance therewith, every such document shall be served upon him by the despatch thereof in a letter sent by registered post to that address.

(2) Every notice, order or other document despatched by registered post shall be deemed to have been served at the time when the letter containing the document would be delivered in the ordinary course of post ; and in proving such service it shall be sufficient to prove that the letter containing the document was properly addressed and put in the post.

(3) A notice, order or other document required or authorized by this Act or any by-law or regulation made thereunder to be served on the owner or occupier of any premises shall be deemed to be properly addressed by the description of the "owner" or "occupier" of such premises without the addition of his name or any further description.

(4) A notice, order or other document required or authorized by this Act or by any by-law or regulation made thereunder to be served on the owner or occupier of any premises may be served by the delivery of a true copy thereof to some adult person on the premises or, if there is no such person on the premises to whom the document can with reasonable diligence be delivered by affixing it on some conspicuous part of the premises.

(5) Any notice, application or other document required or authorized by this Act or any by-law, or regulation made thereunder to be given, or delivered to a Development Council, shall be deemed to have been given, made or delivered to the Council if such notice, application, or other document is given, made or delivered to the District Secretary.

Development Council to authorize any member or officer to institute or defend action.

77. A Development Council may, by resolution, authorize any member or any officer, either generally or in respect of any particular matter, to institute or defend on behalf of the Council, proceedings before any court of summary jurisdiction or to appear on behalf of the Council before such court in any proceedings instituted by, or on behalf of, or against the Council, and any member or officer so authorized shall be entitled to institute or defend such proceedings, and, notwithstanding anything contained in the Judicature Act, No. 2 of 1978, to conduct any such proceedings although he is not an attorney-at-law.

Limitation of actions against Council.

78. (1) No action shall be instituted against any Development Council, or the Chairman, or any member, or any person acting under the direction of the Council or Chairman, for anything done or omitted to be done under the provisions of this Act or any other written law or of any by-law or regulation made thereunder, until the expiration of one month next after notice in writing shall have been given to the Council or to the defendant, stating with reasonable certainty the cause of such action, and the name and the place of abode of the intended plaintiff and of his attorney-at-law or agent, if any, in the action.

(2) Every action referred to in subsection (1) shall be commenced within two years next after the accrual of the cause of action and not afterwards.

(3) Where any person to whom notice of any action is given under subsection (1) tenders, before action is brought, sufficient amends to the plaintiff, such plaintiff shall not recover in any such action when brought, and the defendant shall be entitled to be paid his costs by the plaintiff.

(4) If no tender of amends is made under subsection (3) it shall be lawful for the defendant in such action, by leave of the court before which such action is pending, at any time before issue is joined, to pay into court such sum of money as he may think fit, and thereupon such proceedings shall be had as in other cases where defendants are allowed to pay money into court.

79. No person shall be liable to any fine or penalty under this Act or any by-law or regulation made thereunder for any offence triable in any court unless the complaint respecting such offence is made within six months next after the commission of such offence.

Limitation of prosecutions.

80. No matter or thing done or omitted to be done, and no contract entered into by any Development Council, and no matter or thing done or omitted to be done under the direction of the Council, by any member or by any other person whomsoever shall, if the matter or thing so entered into was done or omitted to be done or entered into bona fide for the purpose of carrying out the provisions of this Act or any other written law relating to the powers and duties of the Council, the Chairman or the District Secretary or of any by-law or regulation made thereunder, subject any member or other person personally to any action, liability, claim or demand whatsoever and any expenses incurred by the Council, or by any member or other person acting as aforesaid shall be borne and repaid out of the Fund:

Protection of members of the Council.

Provided that nothing in this section shall exempt any member from liability to be surcharged with the amount of any payment which may be disallowed upon the audit of the accounts of the Council and which such member authorized or joined in authorizing.

81. Subject and without prejudice to any other powers, a Development Council, if the defendant in any action, prosecution or other proceeding is a member or an agent of the Council, may, if it thinks fit, and except so far as the court before which the action, prosecution or other proceeding is heard and determined otherwise directs, pay out of the Fund all or any part of any sums payable by the defendant in or in consequence of the action, prosecution or proceeding, whether in respect of costs, charges, expenses, damages, fines or otherwise.

Defendant's costs &c. may be paid from the Fund.

82. The members of a Development Council shall be remunerated at such rates as may be determined by the Minister with the concurrence of the Minister in charge of the subject of Finance.

Remuneration of members of a Development Council.

83. Every member, and every contractor or agent to whom the collection of any district tax, rent or toll, or any payment on account of, or in connection with, district land is entrusted by or on behalf of the Council, and every person employed by such contractor or agent, shall be deemed to be a public servant within the meaning and for the purposes of the Penal Code.

Members of Development Councils and others deemed to be public servants.

Development Council deemed to be a scheduled institution within the meaning of the Bribery Act.

Prosecutions to be before Magistrate.

Application of fines.

Records and documents to be in charge of District Secretary.

Immovable and movable property to be transferred to a Development Council.

84. Every Development Council shall be deemed to be a scheduled institution within the meaning of the Bribery Act, and the provisions of that Act shall be construed accordingly.

85. Every prosecution under this Act shall be instituted before a Magistrate and shall be governed by the provisions of the Code of Criminal Procedure Act, No. 15 of 1979, and it shall be lawful for such Magistrate to impose the full fine or penalty herein or in any by-law or regulation provided, notwithstanding that such fine or penalty exceeds the limits of his ordinary powers of jurisdiction.

86. The Magistrate by whom any fine is imposed by virtue of this Act may award any portion, not being more than one-half of the amount recovered, to any informer, and shall order the remainder, or if he makes no award to the informer, the whole of such fine to be paid to the Development Council.

87. (1) The records and documents of every Development Council shall be in the custody of the District Secretary, and they shall be kept in safe custody in accordance with by-laws in that behalf under this Act.

(2) The District Secretary shall have in his charge and custody, and shall be responsible for, all deeds, records, other books and documents belonging to the Council.

88. (1) The President may, by Order published in the *Gazette*, vest in or transfer or dispose to a Development Council—

- (a) any movable or immovable property of the State for the purposes of the annual development plan;
- (b) any contracts and liabilities connected with such purpose.

(2) Upon the publication of an Order under subsection (1) in the *Gazette*—

- (a) the properties specified in the Order shall vest in and be the properties of the Development Council ;
- (b) the contracts specified in the Order shall be deemed to be the contracts of the Council and all subsisting rights and obligations shall be deemed to be the rights and obligations of the Council ; and
- (c) the liabilities specified in the Order shall be deemed to be the liabilities of the Council.

89. Where any land or building is required for the purpose of a Development Council, the purpose for which such land or building is required shall be deemed to be a public purpose, and may accordingly be acquired under the Land Acquisition Act by the Government for the Council.

Land or building may be acquired by the Government for a Development Council.

90. With effect from such date as may be determined by the President by Order published in the *Gazette*, in the Area of Authority of the Greater Colombo Economic Commission (hereinafter referred to as the "Commission") other than in any area excluded from the operation of this section by the President from time to time by Order published in the *Gazette*, the following provisions shall have effect—

Operation of this Act within the Area of Authority of the Greater Colombo Economic Commission and its effect.

- (a) the provisions of sections 21 and 22 of the Greater Colombo Economic Commission Law, No. 4 of 1978, shall not apply ;
- (b) (i) in place of every Municipal Council or Urban Council deemed to have been dissolved by virtue of the operation of section 22 of the aforesaid Law, there shall be a Municipal Council or Urban Council, as the case may be, corresponding to such Municipal Council or Urban Council and accordingly the provisions of the Municipal Councils Ordinance or the Urban Council Ordinance shall apply to such Councils ;
- (ii) where any part of the Area of Authority of the Commission comprised a part of a Municipality or Urban area not deemed to have been dissolved by virtue of the operation of section 22 of the aforesaid Law, such part of the Area of Authority of the Commission shall be deemed to form part of the Municipality or the Urban area to which it belonged on the day immediately prior to the date of the coming into operation of the aforesaid Law ;
- (c) the Development Council constituted for every administrative district within the Area of the Authority of the Commission shall exercise, perform and discharge—
 - (i) in any area which was a town prior to the coming into operation of section 22 of the aforesaid Law, the powers, duties and functions of a Town Council ; and

- (ii) in any area which was a village area prior to coming into operation of section 22 of the aforesaid Law, the powers, duties and functions of a Village Council ;
- (d) notwithstanding anything contrary in any written law, in respect of every Municipal Council or Urban Council referred to in paragraph (b), the Minister may by Order published in the *Gazette* appoint a Special Commissioner to administer the affairs of such Municipal Council or Urban Council until the Minister is satisfied that a general election in accordance with the provisions of any written law for the time being applicable in that behalf, shall be held for the purpose of electing the members of such Municipal Council or Urban Council, as the case may be ;
- (e) every Municipal Council and Urban Council referred to in paragraph (b) shall be the successor of the Commission in relation to the Municipality or the Urban area situated within the Area of Authority of the Commission ;
- (f) all by-laws referred to in subsection (3) of section 22 of the aforesaid Law, and which were in force in any area on the date immediately prior to the date to be determined under this section shall continue to be in force in the areas to which they relate and shall be deemed to be the by-laws made by the Municipal Council, Urban Council or Development Council, as the case may be, of that area ;
- (g)
 - (i) every employee of the Commission who was a member of the Local Government Service on the day immediately preceding the date to be determined under this section shall continue to be a member of such service ;
 - (ii) every employee of the Commission who was not a member of the Local Government Service and who became an employee of such Commission by virtue of the operation of section 22 of the aforesaid Law and who was an employee of such Commission on the day immediately preceding the date to be determined under this section, shall be deemed to be an employee of the Municipal Council or Urban Council, as the case may be, constituted in place of the Municipal Councils or Urban Councils dissolved under section 22 of the aforesaid Law :

Provided that where they were employees of a Town Council or Village Council dissolved under the aforesaid Law, such employees shall be deemed to be employees of the Development Council, constituted for the area in which the town or village for which such Town Council or Village Council was constituted, is situated;

(h) every employee of the Commission other than an employee referred to in paragraph (g) who was employed by the Commission in relation to the exercise, performance and discharge of its powers, functions and duties conferred by sections 21 and 22 of the aforesaid Law and who was so employed on the day immediately preceding the date to be determined under this section shall be deemed to be the employees of a Municipal Council or Urban Council referred to in paragraph (b) or a Development Council referred to in paragraph (c), as may be determined by the Minister. Such determination shall be final;

(i) every employee referred to in paragraphs (g) and (h) shall be employed on terms and conditions not less favourable than those enjoyed by such employee on the day immediately preceding the date to be determined under this section;

(j) (i) all the assets and liabilities of a Municipal Council or Urban Council vested in the Commission under section 22 of the aforesaid Law, shall be deemed to be the assets and liabilities of the Councils constituted in place of such dissolved Councils;

(ii) all the assets and liabilities of a Town Council or Village Council vested in the Commission under section 22 of the aforesaid Law, shall be deemed to be the assets and liabilities of the Development Council constituted in place of such Town Council or Village Council;

(k) the provisions of sections 21 and 22 of the aforesaid Law shall, *mutatis mutandis*, apply to every area excluded from the operation of this section by the President.

Amendment
of Law
No. 4 of
1970.

91. Section 22 of the Greater Colombo Economic Commission Law, No. 4 of 1978, is hereby amended by the insertion, immediately after subsection (2) of that section, of the following subsection:—

“(2A) Where a Municipal Council, Urban Council, Town Council or Village Council, the administrative limits of which are situated wholly or partly within the Area of Authority of the Commission has been dissolved and an officer has been appointed to administer the affairs of such Council, the Commission shall be deemed to be the successor to such officer administering the affairs of the whole or part of such administrative area, as the case may be.”.

Retrospective
operation
of
section 91.

92. The amendment made to the Greater Colombo Economic Commission Law, No. 4 of 1978, by section 91 shall be deemed for all purposes to have come into operation on the date on which that Law came into operation.

Meaning of
“administra-
tive
district.”

93. For the purposes of this Act and the Administrative District Act, “administrative district” means each of the administrative districts set out in the First Schedule to the Constitution, and the limits of such administrative district shall be deemed to be the limits specified by the Administrative Districts Act or by a resolution under section 3 of the aforesaid Act at the commencement of the Constitution, subject to the modifications set out in the Second Schedule to this Act.

Removal of
difficulties.

94. It shall be lawful for the President to make orders of an administrative nature providing for any unforeseen or special circumstances, or for determining or adjusting any question or matter, that would arise in connection with the administration of the affairs of a Development Council for which no provision or effective provision is made by this Act.

Interpretation.

95. In this Act, unless the context otherwise requires—

“appropriate Minister”, in relation to any matter or thing, means the Minister to whom the subject or function of that matter or thing has been assigned;

“District Minister” with reference to any Development Council means the Minister to whom the subject and function of the administrative district for which the Development Council has been constituted has been assigned;

“District Secretary” means the District Secretary appointed to an administrative district under section 48 ;

“electoral district” has the same meaning as in the Constitution ;

“elected member” means a member referred to in section 2 and in relation to a Council, means an elected member of that Council ;

“local authority” means any Municipal Council or Urban Council ;

“prescribed” means prescribed by regulations made by the Minister ; and

“President” means the President of the Democratic Socialist Republic of Sri Lanka.

FIRST SCHEDULE

[Sections 17 and 35]

SUBJECTS

- (i) Agrarian Services
- (ii) Agriculture
- (iii) Animal Husbandry
- (iv) Co-operative Development
- (v) Cultural Affairs
- (vi) Education
- (vii) Employment
- (viii) Fisheries
- (ix) Food
- (x) Health Services
- (xi) Housing
- (xii) Irrigation works (which are not of an inter-district character)
- (xiii) Land use and Land settlement
- (xiv) Rural Development
- (xv) Small and medium scale industries.

SECOND SCHEDULE

[Section 93] :

1. Creation of the new Districts of Gampaha and Mullaitivu and consequential changes in the boundaries of the Colombo, Jaffna, Mannar, and Vavuniya Districts with effect from September 7, 1978—*Gazette of October 20, 1978.*
2. Transfer of Grama Seva Niladhari Divisions No. 127—Pathberiya and 126—Mahara from Kegalle District to Ratnapura District with effect from June 29, 1979—*Gazettes of July 20, 1979 and August 24, 1979.*