



The Punjab Local Option Act, 1923

Act 5 of 1923

Keyword(s):

Liquor, Foreign Liquor, Local Body, Empowered Local Body, Sale, Licensed Shop

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THE PUNJAB LOCAL OPTION ACT, 1923

PUNJAB ACT 5 OF 1923.

[Received the assent of the Governor of the Punjab on the 3rd November, 1923, and that of the Governor-General on the 2nd December, 1923, and was first published¹ in the Punjab Gazette of the 21st December, 1923].

1	2	3	4
Year	No.	Short title	Whether repealed or otherwise affected by legislation
1923	5	The Punjab Local Option Act, 1923.	<p>Amended by the Government of India (Adaptation of Indian Laws Order, 1937.</p> <p>Amended by the Indian Independence (Adaptation of Bengal and Punjab Acts) Order, 1948, (G.G.O. 40).</p> <p>Amended by the Adaptation of Laws Order, 1950.</p> <p>Extended to the territories which immediately before the 1st November, 1956, were comprised in the States of Patiala and East Punjab State Union by Punjab Act 7 of 1957²</p> <p>Amended by Haryana Adaptation of Laws Order, 1968⁴.</p>

1. For Statement of Objects and Reasons, see *Punjab Gazette*, 1923, Part I, pages 668-69; for Select Committee's Report see *ibid*, 1923, Part V, pages 127-37, and for Proceedings in Council see *Punjab Legislative Council Debates*, Vol. V, pages 78-81, 221, 311-12 and 313-23.
2. See *Punjab Gazette*, 1923, Part-I, pages 974-75.
3. For Statement of Objects and Reasons, see *Punjab Gazette (Extra-ordinary)*, dated the 24th May, 1957.
4. See *Haryana Government Gazette (Extraordinary)*, dated 29th October, 1968.

PUNJAB ACT 5 OF 1923

An Act to provide for the restriction of the sale of intoxicating liquor according to the wishes of local bodies.

WHEREAS it is desirable to enable local bodies to restrict the sale of intoxicating liquor within certain areas; and whereas the previous sanction of the Governor-General under sub-section (3) of section 80-A of the Government of India Act has been obtained. It is hereby enacted as follows :—

CHAPTER I

PRELIMINARY

Short title, extent and commencement.

1. (1) This Act may be called the Punjab Local Option Act, 1923.

(2) It extends to ¹[Haryana].

(3) It shall come into force², ³[in the principal territories] on such date as the ⁴[State] Government may by notification appoint in this behalf ³[and on the 24th May, 1957 in the transferred territories].

Definitions.

2. In this Act unless there is anything repugnant in the subject or context—

(1) "Liquor" has the meaning assigned to it in the Punjab Excise Act, 1914.

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1914.

(2) "Foreign liquor" means—

(a) all liquor imported by sea ⁵[the whole of India except Part B States] other than rectified spirit, denatured spirit and perfumed spirit;

1. Substituted for the words "State of Punjab" by Haryana Adaptation of Laws (State and Concurrent Subjects) Order, 1938.
2. The Act came into force on 1st April, 1924, see *Punjab Gazette*, 1924, Part 1, page 116.
3. Inserted by Haryana Adaptation of Laws (State and Concurrent Subjects) Order, 1968.
4. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.
5. Substituted by the Adaptation of Laws Order, 1950. The words "all the Provinces" were substituted for "British India" by the Indian (Adaptation of Existing Indian Laws) Order, 1947.

(b) all beer manufactured in India.

XX of 1883. (3) "Local body" means a district board established under the Punjab District Boards Act, 1883, or a municipal committee or notified area committee established or appointed under the Punjab Municipal Act, 1911, or a small town committee established under the Punjab Small Towns Act, 1921.

III of 1911.

II of 1922.

(4) "Empowered local body" means a local body concerning which a declaration has been made under section 3 that it may exercise the powers therein specified.

(5) "Sale" includes any transfer other than by way of gift.

I of 1914.

(6) "Licensed shop" means the business premises of a person licensed to sell liquor by retail under the Punjab Excise Act, 1914, as specified in the licence, but does not include any of the following places in which only foreign liquor is sold, namely :—

- (i) a club,
- (ii) a hotel,
- (iii) a restaurant bar,
- (iv) a railway restaurant room except that kept for Hindus and Muhammadans,
- (v) a railway restaurant bar.

(7) "Local area" means the area over which a local body has authority.

3. The [State] Government shall, on the application of a local body, within a period not exceeding three months from the date of such application, declare by notification that such Local body may exercise the powers conferred under sections 4, 5, and 8.

Application by local body for extension of the Act.

1. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

CHAPTER II

POWERS ON AN EMPOWERED LOCAL BODY

Restriction of the number of liquor shops in a local area.

4. (1) An empowered local body may from time to time by resolution passed in accordance with its rules of business prescribe the maximum number of licensed shops at which liquor may be sold within its local area.

(2) Such number shall be not less, in the case of a municipal committee, than one-third, and in any other case, than one-half of the total number of shops licensed by the Collector for the retail vend of liquor on 31st March, 1923, within the limits of such local area.

(3) Such resolution shall take effect from the 1st day of April in the year next following the date on which it was passed.

Referendum.

5. (1) An empowered local body may by resolution passed from time to time in accordance with its rules of business—

(a) prescribe a maximum number, which may be less than the proportion prescribed in sub-section (2) of section 4, of licensed shops at which liquor may be sold within its local area ; or

(b) direct that liquor may not be sold at any licensed shop within such local area :

Provided that no such resolution shall have effect under this Act until it has been submitted by way of referendum to the registered electors of such empowered local body, and has been confirmed by a two-thirds majority of the total number of such electors.

(2) When a resolution has been confirmed under sub-section (1) it shall take effect from the 1st day of April of the year next following the date of such confirmation and shall thereafter remain in force, provided that at any time such empowered local body may by further resolution declare that such resolution shall cease to have effect upon the 1st day of April in the year next following the date of such further resolution, and such resolution shall accordingly cease to have effect from such date.

6. Notwithstanding anything contained in the Punjab Excise Act, 1914, and the rules made thereunder with regard to the powers and functions of the Collector under the said Act, a resolution passed under section 4 or passed and confirmed under section 5 shall be binding upon the Collector of the District in which the local area concerned is situated :

Resolution of empowered local bodies to be binding on collectors.

Provided that if the Collector is of opinion for reasons to be recorded in writing that within such local area illicit distillation or smuggling of alcohol has been carried on or connived at, within the two years preceding the date of the passing of such resolution, by any of the residents of such local area, such resolution shall not be binding upon him, unless the Commissioner orders that it shall be so binding.

CHAPTER III

POWER TO MAKE RULES

17. The [State] Government may make rules regulating the procedure for holding a referendum under section 5.

Power of the State Government.

8. An empowered local body may make rules prescribing—

Power of Local Bodies.

- (a) the portions of its local area in which licensed shops may be situated ;
- (b) the hours during which liquor may be sold at such shops;
- (c) the minimum age, which shall not exceed 18 years, of the persons who may be served with liquor at such shops.

CHAPTER IV

FOREIGN LIQUOR

9. Except as hereinafter provided the provisions of this Act shall not apply to the sale of foreign liquor, but when an empowered local body has prescribed a maximum number of licensed shops under section 4 or section 5 or has prohibited the sale of liquor under section

Special Provisions concerning foreign liquor.

1. For rules see notification No. 17133, dated 5th July, 1924, *Punjab Gazette*, 1924, Part I, page 552.
2. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.

5, and the ¹[State] Government, is satisfied that the object of such prescription or prohibition is being evaded by the sale of foreign liquor in the local area concerned, the ¹[State] Government shall by rule made under section 58 of the Punjab Excise Act, 1914, prohibit the Collector from granting a licence for the sale of foreign liquor in the said local area except in accordance with the terms of such resolutions as such empowered local body may have passed or may pass in respect of country liquor, or with the special sanction of the ¹[State] Government.

CHAPTER V.

GENERAL

Penalties.

10. Any persons, who commits a breach of any rule made under section 8 shall be punishable with a fine which extend to one hundred rupees.

Saving of the provisions of the Punjab Excise Act, 1914.

11. Subject to the provisions of this Act the provisions of the Punjab Excise Act, 1914, and the rules made thereunder, shall have full force and effect in the local areas of all empowered local bodies.

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1. Substituted for the word "Provincial" by the Adaptation of Laws Order, 1950.