

Under Rule 130 of the Tamil Nadu Legislative Assembly Rules, the following Bill which was introduced in the Legislative Assembly of the Tamil Nadu on 21st February, 2024 is published together with Statement of Objects and Reasons for general information:—

**L.A Bill No. 9 of 2024**

**A Bill to provide for the establishment of an Authority for the construction, development, maintenance and management of the highways vested in, or entrusted to, that Authority and for matters connected therewith or incidental thereto.**

BE it enacted by the Legislative Assembly of the State of Tamil Nadu in the Seventy-fifth Year of the Republic of India as follows:—

**CHAPTER – I.**

**PRELIMINARY.**

1. (1) This Act may be called the Tamil Nadu State Highways Authority Act, 2024. Short title,  
extent and  
commencement.
- (2) It extends to the whole of the State of Tamil Nadu.
- (3) It shall come into force on such date as the Government may, by notification, appoint.
2. In this Act, unless the context otherwise requires,— Definitions.
- (a) “authorised entity” means any local authority or other entity to which a highway is entrusted by the Authority under sub-section (1) of section 26;
- (b) “Authority” means the Tamil Nadu State Highways Authority established under section 3;
- (c) “Chairperson” means the Chairperson of the Authority;
- (d) “employee” means a person in the full-time regular service of the Authority;
- (e) “Fund” means the Tamil Nadu State Highways Authority Fund constituted under sub-section (1) of section 15;
- (f) “Government” means the State Government;
- (g) “highway” means any highway or any stretch thereof vested in, or entrusted to, the Authority under section 9;
- (h) “officer” means an officer of the Authority specified in the regulations;
- (i) “member” means a member of the Authority and includes the Chairperson;
- (j) “prescribed” means prescribed by rules made under this Act;
- (k) “regulations” means regulations made by the Authority under this Act;
- (l) “State” means the State of Tamil Nadu;

(m) words and expressions used and not defined herein but defined in the Tamil Nadu Highways Act, 2001 shall have the meaning respectively assigned to them in that Act. Tamil Nadu Act 34 of 2002

## CHAPTER-II.

### THE TAMIL NADU STATE HIGHWAYS AUTHORITY.

Establishment of the Tamil Nadu State Highways Authority.

3. (1) The Government may, by notification, establish an Authority to be called the Tamil Nadu State Highways Authority, to exercise the powers conferred on, and perform the functions assigned to, it under this Act.

(2) The Authority shall be a body corporate by the aforesaid name, having perpetual succession and a common seal. Subject to the provisions of this Act, the Authority shall have the power to acquire, hold and dispose of property, both movable and immovable, and to contract and shall by the said name sue or be sued.

(3) The Authority shall consist of—

- (i) a Chairperson;
- (ii) three full-time members; and
- (iii) three part-time members,

to be appointed by the Government, by notification in the *Tamil Nadu Government Gazette*.

(4) The Chairperson and the members shall possess such qualifications and experience as may be prescribed.

Term of office and conditions of service of members.

4. (1) The term of office of the members and other conditions of service shall be such as may be prescribed.

(2) No person shall be appointed as a member after attaining the age of sixty-two years or shall serve in such capacity after attaining the age of sixty-five years.

(3) The Government may, in its discretion, terminate the term of office of any member, at any time by giving a notice of three months or the salary and allowances in lieu thereof.

(4) Subject to the terms and conditions as may be prescribed, any person who ceased to be a member shall be eligible for reappointment as a member.

Disqualifications for appointment as a member.

5. A person shall be disqualified for being appointed as a member, if such person,—

- (a) has been convicted and sentenced to imprisonment for an offence which, in the opinion of the Government, involves moral turpitude;
- (b) is an undischarged insolvent;
- (c) is of unsound mind and stands so declared by a competent court;
- (d) has been removed or dismissed from the service of the Central or any State Government or a Corporation or Public Sector Undertaking owned or controlled by such Government; or

(e) in the opinion of the Government, has, such financial or other interest in the Authority as is likely to affect prejudicially the discharge of functions as a member.

6. (1) The Authority shall meet at such times and at such places and shall observe such rules of procedure governing the transaction of its business at its meetings, including the quorum thereat, as may be specified in the regulations.

Meetings of the Authority.

(2) If, the Chairperson is unable to attend a meeting of the Authority, for any reason, any other member chosen by the members present at the meeting shall preside over that meeting.

(3) All matters which are placed for the decision of the Authority in any of its meetings shall be decided by a majority of the votes of the members present and voting. In the event of an equality of votes, the Chairperson, or in his absence, the member presiding over the meeting shall have and exercise a second or casting vote.

7. No act or proceedings of the Authority shall be invalidated merely by reason of, —

Vacancy in the Authority not to invalidate proceedings.

(a) any vacancy or any defect, in the constitution of the Authority;

(b) any defect in the appointment of a member of the Authority; or

(c) any irregularity in the procedure adopted by the Authority not affecting the merits of the case.

8. (1) For the purpose of discharging its functions, the Authority may appoint such number of officers and other employees as it may consider necessary on such terms and conditions as may be specified in the regulations.

Appointment of officers, consultants and other employees of the Authority.

(2) The Authority may appoint, from time to time, any person as adviser or consultant as it may consider necessary, on such terms and conditions as may be specified in the regulations.

### CHAPTER III.

#### PROPERTY AND CONTRACTS.

9. The Government may, from time to time, by notification, vest in, or entrust to, the Authority, any highway declared as such under section 3 of the Tamil Nadu Highways Act, 2001 or any stretch thereof, for all or any of the purposes of this Act.

Power of the Government to vest or entrust any highway to the Authority.

10. (1) On and from the date of publication of the notification under section 9, in respect of a Highway —

Transfer of assets and liabilities of the Government to the Authority.

(a) all debts, obligations and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with or for, the Government, immediately before such date, for or in connection with the purposes of that highway shall be deemed to have been incurred, entered into and engaged to be done by, with or for, the Authority;

(b) all non-recurring expenditure incurred by the Government for or in connection with the purposes of that highway up to such date and declared to be capital expenditure by the Government shall, subject to such terms and conditions as may be prescribed, be treated as the capital provided by the Government to the Authority;

(c) all sums of money due to the Government in relation to that highway immediately before such date shall be deemed to be due to the Authority;

(d) all suits and other legal proceedings instituted or which could have been instituted by or against the Government immediately before such date for any matter in relation to that highway may be continued or instituted by or against the Authority.

(2) If any dispute arises as to which of the assets, rights or liabilities of the Government have been transferred to the Authority, such dispute shall be decided by the Government.

Acquisition of land  
for the Authority.

11. Any land required for the Authority for discharging its functions under this Act shall be deemed to be land needed for the purposes specified in sub-section (1) of section 15 of the Tamil Nadu Highways Act, 2001 and such land may be acquired for the Authority under the provisions of the said Act.

Tamil Nadu Act 34  
of 2002

Contracts by the  
Authority.

12. (1) Subject to sub-sections (2) to (4), the Authority shall be competent to enter into and perform any contract necessary for the discharge of its functions under this Act in such form and in such manner as may be specified in the regulations.

(2) Every contract on behalf of the Authority shall be entered into by the Chairperson or such other member or such officer of the Authority as may be generally or specially empowered in this behalf by the Authority.

(3) Such contracts or classes of contracts as may be specified in the regulations shall be affixed with the common seal of the Authority.

(4) Any contract exceeding such value or amount as the Government may prescribe shall be made only after obtaining the previous sanction of the Government.

#### CHAPTER-IV.

#### FUNCTIONS OF THE AUTHORITY.

Functions of the  
Authority.

13. (1) Subject to the rules made under this Act, the Authority shall construct, develop, maintain or manage a highway, as the case may be, as has been specified in the notification issued under section 9.

(2) Without prejudice to the generality of sub-section (1), the Authority may, —

(a) to achieve its objects, *inter-alia*,—

(i) prepare immediate and long-term plans for the maintenance and up-gradation of the highway;

(ii) develop a scientific pavement management system for systematizing the maintenance operations;

(iii) lay down the standards for design and construction of the highways;

(iv) develop models for bringing in private and institutional funding, including international funding into the road sector;

(v) develop methods of performance based maintenance systems for the maintenance of highways by quality private contractors;

(vi) raise institutional resources for undertaking the maintenance and up-gradation of the highways;

(vii) maintain and upgrade the highways by encouraging private partnership and resources for these purposes;

(b) survey any highway or the lands abutting thereto;

(c) construct offices, workshops, way side amenities, townships, logistic parks or warehouses and establish and maintain hotels, motels, restaurants etc., at or near any highway, and at or near any other highway declared as such under section 3 of the Tamil Nadu Highways Act, 2001 with the prior approval of the Government;

(d) construct residential buildings and townships for its employees;

(e) regulate and control the plying of vehicles on any highway for the proper management thereof;

(f) develop and provide consultancy and construction services in India and abroad;

(g) carry on research activities in relation to the construction, maintenance, development and management of highways or any facilities thereof;

(h) provide such facilities and amenities for the users of a highway, as are, in the opinion of the Authority, necessary for the smooth flow of traffic on such highway;

(i) engage, or entrust any of its functions to, any body corporate owned or controlled by the Government;

(j) collect the toll, betterment charges and user charges or any other charges as may be prescribed for the services or benefits rendered in relation to the use of a highway at such rate as may be prescribed;

(k) form one or more companies under the Companies Act, 2013; and

(l) take all such steps as may be necessary or convenient for, or may be incidental to, the exercise of any power or the discharge of any function conferred or assigned to it under this Act.

(3) Nothing contained in this section shall be construed as,—

Tamil Nadu Act 34  
of 2002

Central Act 18 of  
2013

(a) authorising the disregard of any law for the time being in force by the Authority; or

(b) authorising any person to institute any proceeding in respect of a duty or liability to which the Authority or its officers or other employees would not otherwise be subjected to under this Act.

#### CHAPTER-V.

#### FINANCE, ACCOUNTS AND AUDIT.

Additional capital and grants to the Authority by the Government.

14. The Government may, after due appropriation made by the State Legislature by law in this behalf,—

(a) provide any capital that may be required by the Authority for the discharge of its functions under this Act or for any purpose connected therewith, on such terms and conditions as the Government may determine; and

(b) pay to the Authority, on such terms and conditions as the Government may determine, by way of loans or grants such sums of money as the Government may consider necessary for the efficient discharge of its functions under this Act.

Fund of the Authority.

15. (1) There shall be constituted a Fund called the Tamil Nadu State Highways Authority Fund and there shall be credited thereto,—

(a) any grant or aid received by the Authority;

(b) any loan taken by the Authority or any borrowings made by it;

(c) toll, betterment charges, user charges and any other charges collected by the Authority; and

(d) any other sums received by the Authority.

(2) The Fund shall be utilized for meeting,—

(a) the expenses of the Authority in the discharge of its functions, having regard to the purposes for which such grants, loans or borrowings are received and for matters connected therewith or incidental thereto;

(b) the payment of salary, allowances and other remuneration and facilities provided to the members, officers and other employees of the Authority;

(c) payments to be made to the advisers or consultants engaged by the Authority; and

(d) the expenses on the objects and for the purposes authorised by this Act.

Budget.

16. The Authority shall prepare its budget for each financial year, in such form and at such time as may be prescribed, showing the estimated receipts and expenditure of the Authority and forward the same to the Government.

Investment of funds.

17. The Authority may invest its funds, including any reserve fund, in the securities of the Government or in such other manner as may be prescribed.

18. (1) The Authority may, with the consent of the Government or in accordance with the terms of any general or special authorisation given to it by the Government, borrow money from any source by issue of bonds, debentures or such other instruments, as it may deem necessary, for discharging all or any of its functions under this Act.

Borrowing powers of the Authority.

(2) Subject to such limits as the Government may prescribe, the Authority may borrow temporarily by way of overdraft or otherwise, such amounts as it may require for discharging all or any of its functions under this Act.

(3) The Government may guarantee in such manner, as it thinks fit, the repayment of the principal and the payment of interest thereon with respect to the borrowings made by the Authority under sub-section (1).

19. The Authority shall prepare its annual report, in such form and at such time as may be prescribed, giving a full account of its activities during each financial year, and submit a copy thereof to the Government.

Annual report.

20. The accounts of the Authority shall be maintained and audited in consultation with the Accountant General of the State and the audited copy of accounts together with the auditor's report thereon shall be furnished to the Government in such manner and before such date, as may be prescribed.

Accounts and audit.

#### CHAPTER-VI.

#### MISCELLANEOUS.

21. The Authority may, by general or special order in writing, delegate any of its powers and functions under this Act, as it may deem necessary, except its powers to make regulations under section 30, to the Chairperson or any other member or any officer of the Authority, subject to such conditions and limitations, if any, as may be specified in that order.

Delegation of powers.

22. All orders, decisions and other instruments of the Authority shall be authenticated by the signature of the Chairperson or any other member or any officer of the Authority authorised by it in this behalf.

Authentication of orders and other instruments of the Authority.

23. When acting or purporting to act in pursuance of this Act, every member, officer and employee of the Authority shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code.

Members, Officers and employees of the Authority to be public servants.

24. No suit, prosecution or other legal proceeding shall lie against any of the members, officers or employees of the Authority in respect of anything done or intended to be done by them in good faith, in the discharge of official functions or in exercise of the powers under this Act, the rules or the regulations.

Protection of action taken in good faith

25. The Authority may undertake to carry out any other work or services or any class of works or services as may be requested by the Government or any other body on such terms and conditions as may be agreed upon between the Authority and the Government and such body.

Power of the Authority to undertake certain works.

Power of the Government to temporarily divest the Authority of any highway.

26. (1) If, at any time, the Government is of the opinion that, it is necessary or expedient in public interest so to do, it may, by order in writing, direct the Authority to entrust the construction, development, maintenance and management of any highway, to any local authority or any other entity owned or controlled by the Government, with effect from such date and for such period as may be specified in that order and the Authority shall be bound to comply with such direction.

(2) Where construction, development, maintenance and management of any highway is entrusted by the Authority to the authorised entity under sub-section (1), the Authority shall cease to exercise and discharge all of its powers and functions under this Act in relation to such highway and such powers and functions shall be exercised and discharged by the authorised entity in accordance with the instructions issued by the Government from time to time:

Provided that the Government may by a general or special order direct that such of the powers and functions as may be specified in that order shall be exercised or discharged by the authorised entity only after obtaining the previous sanction of the Government.

(3) The Government may, for the reasons to be recorded in writing, reduce or extend the period mentioned in sub-section (1), as it may consider necessary.

(4) During the operation of an order under sub-section (1), the Government may, from time to time, issue such directions to the Authority as are necessary to enable the authorised entity to exercise the powers and discharge the functions of the Authority under this Act in relation to a highway, including transfer of any sum of money from the Fund to the authorised entity for the construction, development, maintenance and management of the highway and every such direction shall be complied with by the Authority.

(5) On the cessation of an order under sub-section (1) in relation to any highway,—

(a) the authorised entity shall cease to exercise and perform the powers and functions of the Authority under this Act in relation to such highway;

(b) the authorised entity shall hand over to the Authority any property, including any sum of money or other assets, held by it in connection with the entrustment of such highway to it; and

(c) the Authority shall continue to exercise and perform such powers and functions in accordance with the provisions of this Act in relation to such highway.

Power of the Government to supersede the Authority.

27. (1) If, at anytime, the Government is of the opinion,—



(a) that on account of a grave emergency, the Authority is unable to discharge the functions and duties imposed on it by or under this Act;

(b) that the Authority has persistently defaulted in complying with any of the directions issued by the Government under this Act or in the discharge of the functions and duties imposed on it by or under this Act; or

(c) that circumstances exist which render it necessary in public interest to do so, the Government may, by notification, supersede the Authority for such period, not exceeding one year, as may be specified in the notification and on the expiry of such period, the Government may extend the period of supersession for another period not exceeding one year :

Provided that before issuing a notification under this sub-section for the reasons mentioned in clause (b), the Government shall give a reasonable opportunity to the Authority to show cause as to why it should not be superseded and shall consider the explanations and objections of the Authority, if any.

(2) Upon the publication of a notification superseding the Authority under sub-section (1),—

(a) all the members shall cease to hold such office from the date of supersession;

(b) all the powers, functions and duties exercisable or discharged by the Authority under this Act, shall be exercised or discharged by such person or persons as the Government may direct;

(c) the property owned or controlled by the Authority shall, until the Authority is reconstituted under sub-section (3), vest in the Government.

(3) On or before the expiry of the period or the extended period of supersession under sub section (1), the Government may, reconstitute the Authority. Any person who had vacated office under clause (a) of sub-section (2) shall also be eligible for reappointment as members.

(4) The Government shall, as soon as may be, cause the notification issued under sub-sections (1) or (3) alongwith a detailed report of any action taken under this section and the circumstances leading to such action, to be laid before the Legislative Assembly.

28. The Government may issue such directions, from time to time, to the Authority on policy matters not inconsistent with the provisions of this Act as it may deem necessary and the Authority shall give effect to such directions.

Power of the Government to issue directions.

29. (1) The Government may make rules to carry out all or any of the purposes of this Act.

Power of the Government to make rules.

(2) In particular, and without prejudice to the generality of the forgoing power, such rules may provide for all or any of the following matters, namely:-

(a) all matters expressly required or allowed by this Act to be prescribed in the rules;

(b) conditions of service of the members;

(c) the powers and duties of the Chairperson and of the members;

(d) the terms and conditions subject to which the non-recurring expenditure incurred by or for the Government or in connection with the purposes of any highway shall be treated as capital expenditure under clause (b) of sub-section (1) of section 10;

(e) the form in which and the time within which the Authority shall prepare its budget under section 16 and its annual report under section 19;

(f) the manner in which the Authority may invest its funds under section 17;

(g) the manner in which the accounts of the Authority shall be maintained and audited and the date before which the audited copy of the accounts together with the auditor's report thereon shall be furnished to the Government under section 20.

(3) All rules made and notifications issued under this Act shall be published in the *Tamil Nadu Government Gazette* and unless they are expressed to come into force on a particular day, shall come into force on the day on which they are so published.

(4) Every rule, notification or order made or issued under this Act shall, as soon as possible, after it is made or issued, be placed on the table of the Legislative Assembly, and if, before the expiry of the session in which it is so placed or in the next session, the Assembly makes any modification in any such rule, notification or order or the Assembly decides that the rule, notification or order shall not be made or issued, the rule, notification or order shall, thereafter have effect only in such modified form or be of no effect, as the case may be, so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule, notification or order.

Power of the Authority to make regulations.

30. (1) The Authority may, with the previous approval of the Government by notification, make regulations not inconsistent with the provisions of this Act or the rules made thereunder to carry out the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

(a) the time and place of the meetings of the Authority and the procedure to be followed for the transaction of business at such meetings;

(b) the terms and conditions of service, method of recruitment and the remuneration of the officers, advisors, consultants and other employees of the Authority;

(c) the form and manner in which a contract or class of contracts may be made by the Authority;

(d) the contracts or classes of contracts which are to be affixed with the common seal of the Authority;

(e) the manner of preventing obstructions on the highways shall be prohibited for their normal functioning;

(f) the manner of prohibiting the parking or waiting of any vehicle or carriage on the highway except at places specified by the Authority;

(g) the manner of prohibiting or restricting access to any part of the highway;

(h) the manner of regulating or restricting advertisements on and around the highway; and

(i) generally for the efficient and proper maintenance and management of the highway.

31. (1) If any difficulty arises in giving effect to the provisions of this Act, the Government may, by an order published in the *Tamil Nadu Government Gazette*, make such provisions not inconsistent with the provisions of this Act as appear to them to be necessary or expedient for removing such difficulty:

Power to remove difficulties.

Provided that no such order shall be made after the expiry of two years from the date of commencement of this Act.

#### CHAPTER – VII.

#### APPLICABILITY OF THE TAMIL NADU HIGHWAYS ACT, 2001 TO A HIGHWAY ENTRUSTED TO THE AUTHORITY.

32. Sections 8 to 14, 26 to 55, 57 to 61, 63 to 65 and 70 of the Tamil Nadu Highways Act, 2001 shall mutatis mutantis apply to a highway vested in, or entrusted to, the Authority, subject to the following modifications, namely :—

Applicability of the Tamil Nadu Act 34 of 2002 to the Authority subject to certain modifications.

(1) in section 8, —

(a) in sub-section (1), for the expression “The Administrator of any division may, by notification, in relation to any highway or any area in that division”, the expression “The Authority may, by notification, in relation to any highway” shall be substituted;

(b) in sub-section (2), for the expression “Administrator”, the expression “Authority” shall be substituted;

(c) in sub-section (3), for the expression “the Administrator may, with the approval of the State Chief Administrator”, the expression “Authority may” shall be substituted;

Tamil Nadu Act 34  
of 2002.

(d) in sub-section (4), for the expression "State Chief Administrator", the expression "Authority" shall be substituted.

(2) in sections 9,11,12,14,26, 27, 28, 30 to 32, 34, 35, 37, 39, 44 to 46, 53, 54 and 59 to 61, for the expressions "State Chief Administrator" and "Administrator", wherever they occur, the expression "Authority" shall be substituted.

(3) in section 13, —

(a) in sub-section (1), for the expressions "Administrator of every division", and "of that division", the expressions "Authority" and "of the area" shall, respectively, be substituted;

(b) in sub-section (2), for the expression "Administrator", the expression "Authority" shall be substituted;

(c) in sub-section (3),—

(i) the expression "after the approval of the State Chief Administrator" shall be omitted;

(ii) in clause (a), for the expression "Administrator", the expression "Authority" shall be substituted.

(4) in sections 33, 41 and 43, for the expressions "Administrator" and "State Chief Administrator" wherever they occur, the expressions "Authority" and "Government" shall, respectively, be substituted.

(5) in section 42, for the expression "the Administrator that any highway in its division", the expression "the Authority that any highway" shall be substituted.

(6) in section 47,

(i) after clause (b), the expression "or" shall be omitted;

(ii) clause (c) shall be omitted.

(7) in section 55, —

(i) in sub-section (1), for the expression " any authority", the expression "Authority" shall be substituted;

(ii) for sub-section (2), the following sub-section shall be substituted, namely:-

"(2) No application to the Government under sub-section (1) shall be made after the expiry of such period as may be prescribed."

(8) in section 57, for the expression "State Chief Administrator or to any Administrator", the expression "Authority" shall be substituted.

(9) in section 58, for the expression " the State Chief Administrator or any Administrator", the expression "Authority" shall be substituted.

(10) in section 63, in sub-section (2), in clause (a), for the expression "the State Chief Administrator or any Administrator or officer or person", the expression "the Authority or officer or employees" shall be substituted.

**STATEMENT OF OBJECTS AND REASONS.**

The Hon'ble Minister for Public Works, Highways and Minor Ports announced on the floor of Legislative Assembly on 01.04.2023 that a separate legislation will be enacted to establish the Tamil Nadu State Highways Authority, with adequate powers for the development of highways in a speedy and timely manner with public as well as private sector participation similar to that of the National Highways Authority of India. To give effect to the above announcement, the Government have decided to enact a separate legislation for the purpose.

2. The Bill seeks to give effect to the above decision.

**E.V. VELU,**  
*Minister for Public Works.*

**MEMORANDUM REGARDING DELEGATED LEGISLATION.**

Clauses 1(2), 4(1) and (4), 6(1), 8, 9, 10(1)(b), 12, 13(2)(j), 16, 17, 18(2), 19, 20, 21, 22, 26(2) and (4), 27(1)(c) and (2), 28, 29, 30 and 31 of the Bill authorise the Government or the Tamil Nadu State Highways Authority, as the case may be, to issue notifications, orders or to make rules or regulations for the purposes specified therein.

2. The powers delegated are normal and not of an exceptional character.

**E.V. VELU,**  
*Minister for Public Works.*

**FINANCIAL MEMORANDUM**

The Bill when enacted and brought into operation would involve expenditure from the Consolidated Fund of the State. It is not possible at this stage to estimate with any degree of accuracy the expenditure to be incurred from the Consolidated Fund of the State as a result of the proposed legislation.

**E.V. VELU,**  
*Minister for Public Works.*

Secretariat,  
Chennai-600 009,  
21st February 2024.

K. SRINIVASAN,  
*Principal Secretary.*