

New Zealand.

## ANALYSIS.

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| <p>Title.</p> <p>1. Short Title.</p> <p style="text-align: center;"><i>Advances to Local Authorities.</i></p> <p>2. Section 70 of principal Act amended. Repeal.</p> <p>3. Local authority may raise loan at higher rate of interest than originally approved without further consent of ratepayers.</p> | <p>4. Application of surplus of loan.</p> <p>5. Local authority may repay loan in advance.</p> <p>6. Purposes for which loans may hereafter be granted.</p> <p>7. Preference in certain cases to loans required for construction of roads or bridges.</p> <p>8. Limitation of amount of loans that may be granted.</p> <p>9. Special provisions for loans for works in outlying districts.</p> |
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1912, No. 47.

AN ACT to amend the New Zealand State-guaranteed Advances Act, 1909. Title.  
[7th November, 1912.]

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the New Zealand State-guaranteed Advances Amendment Act, 1912, and shall form part of and be read together with the New Zealand State-guaranteed Advances Act, 1909 (hereinafter referred to as the principal Act). Short Title.

*Advances to Local Authorities.*

2. (1.) Subsection one of section seventy of the principal Act is hereby amended by omitting from paragraph (a) all words after the word "charged," and substituting the words "shall be one-eighth per centum per annum more than the rate at which the money was raised; and in calculating such first-mentioned rate all fees, commissions, discounts, and other charges connected with the raising of the loan shall be allowed for." Section 70 of principal Act amended.

(2.) Subsection two of the said section seventy is hereby repealed. Repeal.

(3.) This section shall apply to all loans, or to any part thereof, to be paid to a local authority after the date of the passing of this Act, whether the application for any such loan was finally granted before or after that date.

Local authority may raise loan at higher rate of interest than originally approved without further consent of ratepayers.

3. (1.) In any case where a local authority is authorized by the ratepayers to borrow moneys and the Board has provisionally approved or finally granted an application for a loan at a specified rate of interest, the loan, or any part thereof, may be raised at a higher rate of interest without any further consent of the ratepayers being obtained if, before the loan or any part thereof is paid to the local authority, a resolution in the prescribed form making a special rate sufficient to cover the increased payments in respect of the loan or part thereof as aforesaid is passed by the local authority at a special meeting and is gazetted.

(2.) A local authority shall have no right of action against the Superintendent for breach of contract or otherwise in respect of the failure of the Superintendent to advance to that local authority any moneys at the rate of interest at which the application for such moneys was finally granted by the Board.

Application of surplus of loan.

4. (1.) If, on the completion of the public work for which a special loan has been or is hereafter obtained, it is found that any of the money raised is not required for the purpose for which it was raised, the money not so required shall be repaid to the Superintendent :

Provided that where the loan was obtained for the purpose of more than one public work any surplus moneys remaining after the completion of one of those works may be applied in the completion of any other of the said works if the amount appropriated to that work is not sufficient for its completion.

(2.) This section shall extend and apply to repayments of such surplus moneys to the Superintendent, or to the application of such moneys in the completion of any other work as aforesaid, although such repayment or application was made before the passing of this Act.

Local authority may repay loan in advance.

5. Any loan raised by a local authority under Part IV of the principal Act may at any time be repaid in whole or in part on such terms as may be agreed upon between the local authority and the Superintendent.

Purposes for which loans may hereafter be granted.

6. Notwithstanding anything in the principal Act, the Board shall not after the passing of this Act grant a loan to any local authority for any purpose other than—

- (a.) The construction of a road, including channelling ;
- (b.) The construction of a bridge ;
- (c.) The construction of waterworks for the supply of water within a district ;
- (d.) The construction of drainage-works or irrigation-works ; or
- (e.) The construction of sanitary works :

Provided that this section shall not be held to restrict the power of the Board to grant any loan application for which has been provisionally approved by it before the passing of this Act.

Preference in certain cases to loans required for construction of roads or bridges.

7. If at any time the moneys for the time being available under the principal Act for the purposes of advances to local authorities are insufficient to satisfy the applications therefor, the Board shall, in accordance with regulations to be made in that behalf, give preference to local authorities applying for loans for the purpose of constructing roads and bridges in outlying districts.

8. The Board shall not after the passing of this Act grant to any local authority any loan which, together with all other loans granted by the Board to that local authority within the preceding three years, exceeds sixty thousand pounds.

Limitation of amount of loans that may be granted.

9. (1.) Of the moneys from time to time raised under the principal Act for the purpose of providing funds for advances to local authorities, there shall be set aside in each of the ten years after the passing of this Act an amount not exceeding in any financial year the sum of two hundred and fifty thousand pounds.

Special provisions for loans for works in outlying districts

(2.) The moneys so set aside shall be advanced to local authorities for the purposes of constructing roads and bridges in outlying districts and for metalling such roads for the first time.

(3.) The Minister of Finance shall, without further appropriation than this Act, in each of the first ten years of the term of any loan under this section, pay out of the Consolidated Fund into the Advances Account an amount equal to one per centum of the amount of the loan, and in each year of the next ten years shall pay an amount equal to one-half per centum of the amount of the said loan.

(4.) The amount payable by the Minister under this section in each year in respect of any loan or a proportionate part of that amount, as the case may be, shall be paid on the day or days fixed in each year for the payment of instalments of principal and interest by the local authority, and the amount so payable by the Minister shall be deducted from the amount payable by the local authority.