

## LAND AMENDMENT BILL

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### EXPLANATORY NOTE

THIS Bill gives effect to policies announced in the Budget relating to rates of interest payable under the Land Act 1948.

*Clause 1* relates to the Short Title and commencement. The Bill is deemed to have come into force on 9 November 1984.

*Clause 2* amends section 170B of the Land Act 1948, which relates to reviews of those various rates of interest payable under that Act that are fixed from time to time by the Minister of Finance. At present such rates of interest are subject to review at intervals specified in the document concerned (lease, licence, sale and purchase agreement, mortgage, etc.) by the Land Settlement Board; and reviews can take place no more frequently than at those intervals. When a rate of interest is to be reviewed, the Board must give the person concerned not less than 3 months notice. On review, the Board may leave the rate as it is, or raise or lower it to bring it into line with the appropriate rate currently fixed by the Minister of Finance.

Under the amended section, rates of interest payable under transactions entered into after 8 November 1984 will be subject to review even if the document concerned is silent on the matter, and may take place at any time the Board thinks fit. No notice of a review is now required to be given, but a changed rate cannot take effect except on written notice of at least 30 days; and on review not only may the Board leave the rate as it is, or raise or lower it to the current level, but it may also raise or lower it instead to some level between its existing level and the current level.

The Bill has no effect on reviews of rates of interest payable under transactions entered into before its commencement.

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*Hon. K. T. Wetere*

## LAND AMENDMENT

### ANALYSIS

Title	1. Short Title and commencement 2. Rates of interest
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### A BILL INTITULED

#### **An Act to amend the Land Act 1948**

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

- 1. Short Title and commencement**—(1) This Act may be cited as the Land Amendment Act 1984, and shall be read together with and deemed part of the Land Act 1948\* (hereinafter referred to as the principal Act).
- 10 (2) This Act shall be deemed to have come into force on the 9th day of November 1984.
- 2. Rates of interest**—(1) Section 170B of the principal Act (as inserted by section 6 of the Land Amendment Act 1968) is hereby amended by omitting from subsection (1) (as amended
- 15 by section 7 of the Land Amendment Act 1977) the words “of interest by any lessee, licensee, purchaser, mortgagor, or person liable under any other security”, and substituting the words

\*Reprinted 1972, Vol. 2, p. 1557

Amendments: 1974, No. 92; 1975, No. 82; 1977, No. 51; 1979, No. 57; 1981, No. 44; 1982, No. 183

“by any lessee, licensee, purchaser, mortgagor, or person liable under any other security, (being lessee, licensee, purchaser, mortgagor, or person liable as aforesaid, under a lease, licence, agreement for sale and purchase, mortgage, or security, that was in force before the 9th day of November 1984) of interest”. 5

(2) The said section 170B is hereby further amended by inserting, after subsection (1), the following subsection:

“(1A) Where provision is made by this Act for the payment by any lessee, licensee, purchaser, mortgagor, or person liable under any other security, (being lessee, licensee, purchaser, 10 mortgagor, or person liable as aforesaid, under a lease, licence, agreement for sale and purchase, mortgage, or other security, that was not in force before the 9th day of November 1984) of interest at a rate fixed by the Minister of Finance,—

“(a) That rate shall be subject to review at intervals from 15 time to time fixed by the Board:

“(b) After reviewing that rate, the Board may—

“(i) Leave it at its existing level; or

“(ii) Increase or reduce it (as the case requires) in order to conform with the appropriate rate of 20 interest for the time being fixed by the Minister of Finance; or

“(iii) Increase or reduce it (as the case requires) to a level between its existing level and that current 25 rate:

“(c) Every increase or reduction of that rate shall take effect upon a date specified by the Board by notice in writing to the lessee, licensee, purchaser, mortgagor, or other person, concerned:

“(d) That date shall be no earlier than 30 days after the date 30 on which that notice was given to that person.”

(3) The said section 170B is hereby consequentially amended by omitting from subsection (2) the expression “subsection (1) of”.

(4) Nothing in this section shall limit or affect section 7 of 35 the Land Amendment Act 1968.