

Rt. Hon. R. J. Seddon.

LOCAL BODIES' LOANS ACT AMENDMENT.

ANALYSIS.

<p>Title.</p> <p>1. Short Title.</p> <p>2. Investment of sinking funds.</p> <p>3. Application for bridge loan.</p>	<p>4. Sinking fund under Part III.</p> <p>5. Effect of merger of special rating area. Repeal.</p> <p>6. Power to make regulations.</p>	<p>Repeal.</p>
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A BILL INTITULED

AN ACT to amend "The Local Bodies' Loans Act, 1901." Title.

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

1. The Short Title of this Act is "The Local Bodies' Loans Act Amendment Act, 1905"; and it shall form part of and be read together with "The Local Bodies' Loans Act, 1901" (hereinafter referred to as "the principal Act"). Short Title.

10 2. The purchase by any Commissioners of Sinking Funds appointed under Part I. of the principal Act of any debenture securing repayment of any part of the loan for which a sinking fund was created shall be deemed to be an investment of the sinking fund within the meaning of section twenty-eight of the principal Act. Investment of sinking funds.

15 3. Section seventy-eight of the principal Act is hereby amended by adding to subsection two the following paragraph:— Application for bridge loan.

"(d.) A statement showing the amount and currency of the proposed loan, the rate of interest, and dates of payment of same."

20 4. Subsection four of section ninety-six of the principal Act (relating to the sinking fund created under Part III. of that Act) is hereby amended by repealing all the words after "subsections" down to and inclusive of "The remainder." Sinking fund under Part III.

25 5. (1.) The merger of any area over which a special rate is made as security for a loan, or the inclusion of such area within the district of a local authority other than the local authority that made the rate, shall not affect such special rate as a security, but the same shall continue to be charged and levied upon the whole area upon which it was charged prior to such merger or inclusion, subject as hereinafter provided. Effect of merger of special rating area.

30 (2.) Where the whole of such area is merged or included as aforesaid, then the whole of the liability in respect of the loan shall upon such merger or inclusion *ipso facto* become a liability of the

local authority within whose district such area is merged or included, and all the powers and authorities in connection with the loan shall be deemed to be transferred from the local authority that raised the loan to the local authority within whose district such area is merged or included; and such last-mentioned local authority shall take all such steps as may be necessary for collecting and recovering the special rate, or for making any further rate or rates that may be required to meet the charges or interest from time to time payable with respect to the loan. 5

(3.) Where part only of the area is merged or included as aforesaid, then upon the written application of the local authority that raised the loan, or of the Colonial Treasurer, the Governor in Council may adjust or apportion the liability in respect of such loan among the respective local authorities affected by such merger or inclusion; and thereupon all such entries may, with the previous consent of the Auditor, be made in the register prescribed by section nine of "The Local Bodies' Loans Amendment Act, 1902," as are necessary to give effect to such adjustment or apportionment: 10 15

Provided that in every case such notices shall be given to the local authority or authorities in whose district any such part area has been merged or included as may be prescribed by regulations made under this Act. 20

(4.) Where in the case of any special rate made as security for a loan over any area heretofore merged a question arises as to the local authority entitled or liable to collect the rate, such question shall be decided by the Governor in Council upon the written application of the local authority that raised the loan or is for the time being liable to pay the interest and charges in respect thereof, or upon application by the Colonial Treasurer: 25

Provided that in every such case the like notices shall be given and the like consequences shall ensue as upon an adjustment or apportionment under subsection *three* of this section. 30

(5.) The provisions of this section shall be a sufficient authority to any local authority to whom any loan has been transferred or apportioned, in whole or in part, under this Act to make and levy by special order, and without obtaining the consent of the ratepayers of the special rating district, such further special rate or rates on the rateable property therein as may be required to meet the interest and charges in respect of such loan. 35

(6.) This section shall apply only to loans granted by the Colonial Treasurer under the principal Act and its amendments. 40

(7.) This section is in substitution for section eleven of "The Local Bodies' Loans Amendment Act, 1902"; and that section, and also sections eleven and twelve of "The Local Bodies' Loans Amendment Act, 1903," are hereby repealed. 45

6. The Governor may from time to time, by Order in Council gazetted, make regulations—

(a.) Prescribing the forms and procedure necessary to give effect to the provisions of sections seventy-seven to seventy-nine of the principal Act; and 50

(b.) Generally for any purpose for which regulations are contemplated by the principal Act or this Act.

Repeal.

Power to make regulations.