

[AS REPORTED FROM THE COMMITTEE OF THE WHOLE.]
House of Representatives, 15th October, 1903.

Rt. Hon. R. J. Seddon.

LOCAL BODIES' LOANS AMENDMENT.

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A BILL INTITULED

AN ACT to amend the Law relating to the Raising of Loans by Local Authorities. 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 Amendment Act, 1903"; 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.

2. Section twelve of "The Municipal Corporations Amendment Act, 1902," is hereby repealed. Repeal.

3. (1.) The repeal of sections one hundred and twenty to one hundred and fifty-three, and the Fifth Schedule, of "The Municipal Corporations Act, 1900," by section twelve of "The Local Bodies' Loans Amendment Act, 1902," and by section twelve of "The Municipal Corporations Amendment Act, 1902," shall not affect any special loan raised under the said repealed provisions, or any proceedings taken prior to the passing of "The Municipal Corporations Amendment Act, 1902," for the purpose of raising any special loan under the said repealed provisions. Certain proceedings validated.

(2.) Any special loan the proceedings for the raising of which were commenced under the said repealed provisions shall be validly raised if such loan has been completed either under or in pursuance of the said repealed provisions, or under or in pursuance of the provisions of "The Local Bodies' Loans Act, 1901."

(3.) Such repeal shall not affect any security for any special loan the proceedings for the raising of which were commenced under the said repealed provisions, or any security agreed to be given for such loan, or the rights or power of recovery of any holder of any debenture or coupon, whether issued under the said repealed pro-

visions or under the provisions of "The Local Bodies' Loans Act, 1901."

(4.) Where proceedings for the raising of a special loan under the said repealed provisions were commenced prior to the passing of "The Municipal Corporations Amendment Act, 1902," it shall be lawful, notwithstanding the repeal of section one hundred and thirty of "The Municipal Corporations Act, 1900," to pay out of loan interest not exceeding one year's interest on the loan.

Disputed polls.

4. If the result of any poll is disputed, any six ratepayers may, in the manner prescribed by section forty-eight of "The Regulation of Local Elections Act, 1876," in the case of disputed elections, require an inquiry to be held, and the matter in dispute shall be determined in the same manner, *mutatis mutandis*, as if the poll were an election held under that Act:

Provided that where the number of ratepayers on the roll of any district or on any special roll does not exceed twenty, then the inquiry may be held as aforesaid on the requisition of not less than one-fourth of the number of ratepayers on such roll.

New clause.

Charges on loan may be paid out of separate rate.

4A. In the case of a district divided into ridings or subdivisions, nothing herein contained shall be deemed to forbid the payment out of any separate rate made and levied in such riding or subdivision of the charges on any loan raised within the said riding or subdivision where the boundaries of such special rating district and the riding are coterminous.

Rate of interest payable until inscription.

5. (1.) A loan under Part II. of the principal Act shall be deemed to be made when the local authority has complied with all necessary formalities under that Act in respect thereof, and the Treasurer has agreed to make the loan; and such loan or any advance on account thereof shall bear interest at the rate of four pounds per centum per annum until the next ensuing first day of February, when such loan or advance shall be inscribed.

Repeal.

(2.) Section fifty-six and so much of subsection one of section fifty-seven of the principal Act as follows the words "render an account thereof to the local authority" are hereby repealed.

Interest payable half-yearly.

6. Interest on the amount inscribed shall be payable half-yearly, the first of such payments being payable on the first day of August following the date of inscription.

Struck out.

Currency of loans.

7. (1.) No loan shall hereafter be granted under Part II. of the principal Act having a longer currency than thirty-two years.

(2.) Paragraph (c) of section fifty-nine of the principal Act and the word "or" in paragraph (b) of the same section are hereby repealed:

Provided that any loan provisionally approved or agreed to be granted by the Treasurer at the passing of this Act may be completed as if this section had not passed.

Rate of interest.

New clause.

7A. (1.) In all loans granted after the passing of this Act the yearly rate of interest, and the period during which the interest is payable by the local authority, shall, at the option of the local authority, be—

(a.) Five per centum per annum for a period of twenty-six years ; or

(b.) Four and a half per centum per annum for a period of thirty-two years ; or

(c.) Four per centum per annum for a period of forty-one years :

(2.) Such option shall be exercised by the local authority in its application for the loan :

(3.) At the expiration of the period during which interest is payable the liability of the local authority shall cease without further payment :

(4.) Any local authorities who have prior to the passing of this Act obtained authority from the ratepayers in accordance with the provisions of the principal Act to borrow at either of the options mentioned in section fifty-nine of that Act may by special order apply for, and the Treasurer may agree to lend, such amount so authorised to be borrowed, or any portion thereof, at either of the options mentioned in paragraphs (a), (b), and (c) hereof :

Provided that any loan provisionally approved or agreed to be granted by the Treasurer at the passing of this Act may be completed as if this section had not passed.

8. The provisions of Part I. of the principal Act relating to the issue of debentures by local authorities shall not apply to any loan raised by local authorities under Part II. of that Act.

Debentures not necessary for loans under Part II.

9. Section eleven of "The Local Bodies' Loans Amendment Act, 1902" (providing for the payment of special rates in merged areas), is hereby amended by adding thereto the following subsection :—

Adjustment of register on merger of area.

"(4A.) In every such case such entries may, with the previous consent and approval of the Auditor, be made in the register prescribed by section nine hereof as are necessary to duly adjust or apportion the liability in respect of such loan amongst the respective local authorities concerned."

New clause.

9A. Subsection four of section eleven of "The Local Bodies' Loans Amendment Act, 1902," is hereby repealed.

Repeal.

10. The forms numbered (1) and (2) in the principal Act are hereby repealed, and those set forth in the Schedule hereto substituted in lieu thereof.

Repeal of forms.

New clause.

11. Whereas in the year one thousand eight hundred and ninety-one an agreement was entered into between the Treasurer and the Moa Road Board whereby a loan of one thousand two hundred pounds was granted to the said Board, repayable by annual instalments, which said instalments were altered from time to time as agreed on by the Treasurer and the said Board : And whereas, after the repayment of all instalments as agreed upon, interest was charged by the Treasurer and paid by the Board amounting in all to the sum of one hundred and eleven pounds eleven shillings and twopence, and it is just that such last-mentioned sum should be refunded to the Board : Be it therefore enacted as follows :—

Arrangement with Moa Road Board validated.

(a.) The arrangement as aforesaid entered into between the Treasurer and the Moa Road Board is hereby validated, and the inscribed debt in respect of the loan, amounting

to one thousand two hundred and thirty-nine pounds nine shillings, shall be written off the Register of Inscribed Debt; and

- (b.) The Treasurer is hereby authorised, without further appropriation than this Act, to refund to the Moa Road Board the sum of one hundred and eleven pounds eleven shillings and twopence so paid in error to the Treasurer as aforesaid.

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Schedule.

SCHEDULE.

(1.) VOTING-PAPER.

[Name of local authority.]

PROPOSAL to raise a Special Loan under "The Local Bodies' Loans Act, 1901," upon which a poll will be taken upon the day of , 19 .

[Insert full particulars of the notice required by section 8 of that Act.]

1. I vote for the above proposal.
2. I vote against the above proposal.

N.B.—The voter must erase the line marked 2, if he wishes to vote for the proposal; or line 1, if he wishes to vote against it. The voter shall erase one or other of the said lines, and his vote shall be deemed to be given according to the one of the said lines which he leaves unerased.

(2.) SPECIAL ORDER MAKING SPECIAL RATE.

In pursuance and exercise of the powers vested in it in that behalf by "The Local Bodies' Loans Act, 1901," the [Name of local authority] hereby resolves as follows:—

That for the purpose of providing the interest and other charges on a loan of [Amount of loan], authorised to be raised by [Name of local authority], under the above mentioned Act, for [Name the public work or works for which loan is required], the said [Name of local authority] hereby makes and levies a special rate of [State amount in the pound] upon the rateable value of all rateable property of the [Name of district], comprising [State the number of sections and block, and name of survey district, or describe the district by its boundaries], and that such special rate shall be an annual recurring rate during the currency of such loan, and be payable half-yearly on the day of , and the day of in each and every year during the currency of such loan, being a period of [State number] years, or until the loan is fully paid off.