

Hon. Mr. Allen.

LOCAL BODIES' LOANS AMENDMENT.

ANALYSIS.

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| <p>Title.</p> <p>1. Short Title.</p> <p>2. Section 25 of Amendment Act, 1908, amended.</p> <p>3. Sale of debentures by local authorities.</p> | <p>4. Section 4 of Amendment Act, 1910, amended.</p> <p style="text-align: center;"><i>Merger of Rating-area.</i></p> <p>5. Effect of merger of rating-area. Repeal.</p> |
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A BILL INTITULED

AN ACT to amend the Local Bodies' Loans Act, 1908.

Title.

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

Short Title.

1. This Act may be cited as the Local Bodies' Loans Amendment Act, 1912, and shall form part of and be read together with the Local Bodies' Loans Act, 1908 (hereinafter referred to as the principal Act).

Section 25 of Amendment Act, 1908, amended.

2. (1.) Section twenty-five of the Local Bodies' Loans Amendment Act, 1908, is hereby amended as follows:—

(a.) By omitting from subsection one the words "raised under the principal Act," and substituting the words "borrowed from any department of the Government"; and

(b.) By omitting from subsection three all words after the words "moneys of that sinking fund," and substituting the words "in the common fund of the Public Trust Office."

(2.) Nothing in this section shall affect any investment heretofore made by the Public Trustee under the authority of the said section twenty-five.

Sale of debentures by local authorities.

3. (1.) Notwithstanding anything in any Act, it shall be lawful for a local authority when issuing any debentures which it is authorized to issue to sell the same at a price that will produce to the purchaser a rate of interest not exceeding five per centum per annum.

(2.) This section shall have operation only until the thirty-first day of March, nineteen hundred and fourteen, when it shall be deemed to be repealed.

Section 4 of Amendment Act, 1910, amended.

4. Section four of the Local Bodies' Loans Amendment Act, 1910, is hereby amended by adding to subsection one thereof the words "or by the provisions of any other Act."

Merger of Rating-area.

Effect of merger of
rating-area.

5. (1.) The merger of any area over which a special rate is made as security for a loan or of any part thereof, or the inclusion of such area or part thereof 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. 5

(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, and may, by resolution, make any further special rate or rates that may be required to meet the charges or interest from time to time payable with respect to the loan. 15 20

(3.) Where a transfer of liability has been made as aforesaid, all such entries may, with the previous consent of the Auditor, be made in the register prescribed by section ninety-three of the principal Act as are necessary to give effect to such transfer. 25

(4.) Where part only of such area is merged or included as aforesaid, then the whole of the liability in respect of the loan shall continue to be a liability of the local authority that raised the loan, but the Governor may, upon the written application of that local authority or of the Minister, by warrant under his hand, direct that any local authority in whose district part of such area has been merged or included shall pay annually to the first-mentioned local authority during the currency of the loan, on such date as is specified, such amount as he considers a duly proportionate part of the interest and other charges payable in respect of the loan. Such proportionate part shall be calculated on the rateable value of all rateable property in the whole of such area, and in the part so merged or included, at the time when the loan was raised. 30 35

(5.) Any local authority directed to make any such annual payment shall take all such steps as may be necessary for collecting and recovering the special rate in the part of such area merged or included in its district, and may, by resolution, make any further special rate or rates over that part that may be required to meet that payment. 40

(6.) If such annual payment is not made within one month from the due date, then the local authority that raised the loan may recover the amount, with interest at *five* per centum per annum, in any Court of competent jurisdiction, and the amount as stated by the Governor shall be conclusive and binding on that Court, and it shall not be competent for that Court to question the validity of the warrant. 45 50

(7.) In every case of merger or inclusion as aforesaid, such notices shall be given to the Minister and to every local authority concerned, as may be prescribed by regulations made under the principal Act.

5 (8.) The preceding provisions shall, *mutatis mutandis*, apply in any case where part of any such area is again merged or included in the district of another local authority.

10 (9.) In any case where a part of any such area has been heretofore merged or included as aforesaid, and no adjustment or apportionment of the liability in respect of any loan has been made in accordance with the law then in force, the Governor may, if he thinks fit, on the application of the Minister or of any local authority concerned, deal with the matter in accordance with subsection *four* hereof, and thereupon the provisions of this section shall apply
15 thereto accordingly.

(10.) In every case of merger or inclusion as aforesaid, the transfer of the liability or the apportionment of the payments in respect of a loan shall be made under this section and not under the provisions of any other Act.

20 (11.) This section shall apply only to loans granted by the Minister under Part II of the principal Act or the corresponding provisions of any former Act relating thereto.

(12.) Section ninety-one of the principal Act is hereby repealed. Repeal.