

[AS PROPOSED TO BE READ A THIRD TIME]

House of Representatives, 29 November 1951

Right Hon. Mr. Holland

LOCAL BODIES' LOANS AMENDMENT

ANALYSIS

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A BILL INTITULED

AN ACT to amend the Local Bodies' Loans Act 1926. Title.

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

5 of the same, as follows:—

1. This Act may be cited as the Local Bodies' Loans Amendment Act 1951, and shall be read together with and deemed part of the Local Bodies' Loans Act 1926 (hereinafter referred to as the principal Act).

Short Title.

See Reprint of Statutes, Vol. V, p. 360

10 2. Section two of the principal Act is hereby amended by repealing the definition of the expression "special order", and substituting the following definition:—

Amending definition of "special order".

“Special order” means—

15 “(a) Such an order made in accordance with the provisions of any Act in force by virtue of which a local authority can make a special order; or

“(b) Where there is no such provision, a resolution passed by the local authority at a special meeting convened for the purpose and confirmed at a subsequent meeting (either ordinary or special) held not sooner than the twenty-eighth day and not later than the forty-second day after the day of the special meeting, public notice of the place, time, and date of that subsequent meeting and of the purport of the resolution having been given in some newspaper circulating in the district twice during the period of twenty-eight days immediately preceding the date of the subsequent meeting, with an interval of not less than fourteen days between the two notifications: 5
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“ Provided that confirmation of the resolution shall not be necessary in any case where the local authority has no power to make and levy a rate as security for a loan.” 15
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3. The principal Act is hereby amended by repealing section nine, and substituting the following section:—

“ 9. (1) A special loan may be raised by special order of the local authority:

“ Provided that in any case where the local authority has power to make and levy a rate as security for the loan the prior consent of the ratepayers of the district shall be obtained to the raising of the loan by the local authority where— 25

“(a) The Local Government Loans Board established under the Local Government Loans Board Act 1926 requires that consent to be obtained; or 30

“(b) Before the date fixed for the confirmation of the resolution to raise the special loan not less than five per cent of the ratepayers whose names are inscribed on the ratepayers’ roll of the district, by writing under their hands delivered or sent by post to the local authority, demand that a poll be taken on the proposal; or 35
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“(c) The local authority so resolves.

“(2) Except where the consent of the ratepayers is to be obtained pursuant to paragraph (a) or paragraph (c) of subsection one of this section, every public notice 45

Loan may be raised by special order, but poll may be required in certain circumstances.

See Reprint of Statutes, Vol. V, p. 415

of a resolution to which this section applies shall, in addition to any other particulars required to be given therein, contain a statement to the effect that a poll of the ratepayers is required to be taken if five per cent of
5 the ratepayers of the district so demand, by writing under their hands delivered or sent by post to the local authority before the date fixed for the confirmation of the resolution to raise the special loan.

“(3) In any case in which the prior consent of the
10 ratepayers is required or demanded or resolved to be obtained in accordance with this section, the local authority shall take the steps prescribed by sections ten to thirteen of this Act.

“(4) Notwithstanding anything in any other Act,
15 the provisions of this section shall apply with respect to all loans to which this Act applies except those loans which have been sanctioned by the Local Government Loans Board at any time before the commencement of this section:

20 “ Provided that the proviso to subsection one of this section shall not apply with respect to—

“(a) Loans raised under section seven of the Local Bodies' Finance Act 1921-22:

See Reprint of Statutes, Vol. V, p. 354

25 “(b) Loans raised under section thirty-two of the Finance Act 1927 (No. 2):

Ibid, p. 161

“(c) Loans raised under section thirty-one of the Finance Act (No. 3) 1944:

1944, No. 31

30 “(d) Loans which by any Act passed before the thirty-first day of December, nineteen hundred and fifty-one a local authority is authorized to raise by special order without taking the steps prescribed by sections nine to thirteen of this Act and which by virtue of section twelve of the Local Government Loans Board Act 1926 do not require the sanction of the Local Government Loans Board:

See Reprint of Statutes, Vol. V, p. 418

35 “(e) Loans which a local authority is authorized to raise by special order without taking the
40 steps prescribed by sections nine to thirteen of this Act where the authority to raise the loan is contained in an enactment passed before the thirty-first day of December, nineteen hundred and fifty-one, which
45 specifically authorizes the local authority by name to raise the loan.”

Lapse of
authority to
raise loan.

4. The principal Act is hereby amended by repealing section sixteen, and substituting the following section:—

“ 16. Where in any case to which the proviso to subsection one of section nine hereof applies a local authority has been authorized to raise a special loan 5 by—

“(a) The consent of the ratepayers; or

“(b) A special order of the local authority in any case where the consent of the ratepayers has not been required or demanded or resolved 10 to be obtained under that proviso,—

and no part of the money is borrowed within five years after the taking of the poll or the making of the special order, as the case may be, the authority shall lapse, and no proceedings shall thereafter be taken for 15 borrowing the money except after the local authority has again complied with the provisions of section nine hereof.”

Poll not
necessary in
certain cases.

5. The principal Act is hereby amended by repealing section seventeen, and substituting the following 20 section:—

“ 17. Notwithstanding anything in section nine hereof, a local authority may raise a special loan by special order and without the prior consent of the ratepayers for any of the following purposes:— 25

“(a) Repaying the whole or any part of any special loan previously raised; or

“(b) Consolidating or converting, under the provisions of Part V of this Act, the whole or any part of any special loan previously 30 raised, but so that the annual charge on the district in respect of the loan is not thereby increased; or

“(c) Any purpose for which a special loan may be raised where the ratepayers of the district, 35 or of the part of the district affected, do not exceed one hundred in number, if the consent (in the form prescribed by regulations) of at least three-fourths of those ratepayers, the capital value of whose properties as 40 appearing on the valuation roll of the district is collectively greater than the capital value

of the properties of those ratepayers who do not so consent to the raising of the loan, is testified by their signatures in writing in such manner as is prescribed by regulations.”

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6. (1) Section three of the principal Act is hereby amended as follows:— Consequential amendments.

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(a) By omitting from subsection three the words “ (except in cases where the steps described in sections nine to thirteen hereof are not required to be taken)”, and substituting the words “ if the consent of the ratepayers of the district is required or demanded or resolved to be obtained in accordance with section nine hereof ”:

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(b) By omitting from subsection four the words “ if so authorized by the votes of the ratepayers as hereinafter provided ”.

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(2) Section four of the principal Act is hereby amended by omitting from subsection one the words “ by special order, and without taking the steps described in sections nine to thirteen hereof ”.

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(3) The principal Act is hereby amended by repealing section eighteen, and substituting the following section:—

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“ 18. Where it is proposed to raise a special loan by special order in respect of part of a district that is not a legal subdivision, except the raising of a loan for the purposes prescribed in paragraph (a) or paragraph (b) of section seventeen hereof, a poll of the ratepayers not having been required or demanded or resolved to be obtained under section nine hereof, the special roll of the ratepayers of that part shall be prepared, completed, and deposited, and objections thereto shall be heard and determined in the manner prescribed by subsection three of section three hereof, save that the special roll shall be deposited for public inspection not less than seven days before any steps are taken to raise the loan.”

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(4) Section nineteen of the principal Act is hereby amended by repealing subsection one, and substituting the following subsection:—

“ (1) Notwithstanding anything in section nine hereof, if the amount of any loan authorized to be raised under this Act or under any former Act relating to local

bodies' loans is found insufficient to complete the undertaking in respect of which it was raised, the local authority may, for the purpose of completing the undertaking, by special order and without the prior consent of the ratepayers, borrow from the same or any other lender a further sum not being greater than one-tenth of the amount originally authorized." 5

(5) The principal Act is hereby amended by repealing section twenty-five, and substituting the following section:— 10

“ 25. Notwithstanding anything in section nine hereof, where, by reason of any accident of flood, fire, or other mischance, or on account of disrepair, it becomes necessary to renew any such bridge, the Council may, by special order and without the prior consent of the ratepayers, raise a loan for that purpose.” 15

(6) Section sixty-two of the principal Act is hereby amended by omitting the words “ caused the steps described in sections nine to thirteen of Part I of this Act to be taken ”, and substituting the words “ been duly authorized to raise that special loan ”. 20

See Reprint
of Statutes,
Vol. V, p. 417

(7) Section six of the Local Government Loans Board Act 1926 is hereby amended by inserting in subsection one, after paragraph (c), the following paragraph:—

“ (cc) Require the applicant local authority to obtain the prior consent of the ratepayers of the district to the proposed loan; or ”. 25

Repeals.
1936, No. 36
1946, No. 16

(8) The Finance Act (No. 2) 1936 is hereby amended by repealing section fifteen.

(9) The Finance Act 1946 is hereby amended by repealing section twenty-seven. 30

1947, No. 20

(10) Section three of the Electric Power Boards Amendment Act 1947 is hereby amended as follows:—

(a) By omitting from subsection one the words “ by special order, and without taking the steps prescribed by sections nine to thirteen of the Local Bodies' Loans Act 1926 ”: 35

(b) By repealing subsection four.

1948, No. 78

(11) Section fifty-four of the Finance Act (No. 2) 1948 is hereby amended by omitting the words “ section fifteen of the Finance Act (No. 2) 1936, and of section twenty-seven of the Finance Act 1946 and of ”. 40