

Rotorua Library Trust Fund Variation Bill

Local Bill

Explanatory note

General policy statement

The Rotorua District Council (as successor to the Rotorua Borough Council) currently has vested in it, pursuant to section 31 of the Local Legislation Act 1937, an endowment which enables it to apply the income for certain specified purposes associated with the Rotorua Public Library. This Bill enables not only the income, but also the capital, of the endowment to be applied for the general purposes of the Library.

By her will dated 30 December 1932, probate of which was granted on 1 September 1936, Elizabeth Ann Seddon-Johnson of Rotorua, after providing for certain legacies, directed the Public Trustee to hold the residue of her estate on trust for the Rotorua Borough Council to be used for or towards the erection of a new wing to the Rotorua Public Library.

By section 31 of the Local Legislation Act 1937, the Rotorua Borough Council was given the power to raise a loan to satisfy the legacies in the will, and to acquire the title to a Crown lease (comprising the residue of the estate) as an endowment for the maintenance and benefit of a public library in the Borough of Rotorua.

Section 31(2) of the Local Legislation Act 1937 provided that the revenue derived from the Crown lease was to be applied firstly in payment of all expenses properly incurred in connection with that land, and secondly in payment of interest and the sinking fund on the loan authorised by the section, and on any subsequent loan raised for any purpose connected with the land, with the balance to be applied in payment of the general maintenance and upkeep of the Rotorua

Public Library, including the purchase of books, periodicals, and other reading matter.

The Crown lease was subsequently acquired by the Rotorua Borough Council as an endowment pursuant to the power conferred on it by section 31 of the Local Legislation Act 1937.

The Crown lease which was purchased has since been sold and the capital of the endowment has been converted into money which is now invested.

At the current time, the Council has access only to the income and not the capital of the endowment. Further, such income can only be applied for the general maintenance and upkeep of the Rotorua Public Library, including the purchase of books, periodicals and other reading matter.

The Council proposes expanding the current Library during the 2006/07 year. To do so, it wishes to access the capital of the endowment, which is slightly in excess of \$300,000.

The application of the fund for such a purpose is consistent with the original intention of Elizabeth Ann Seddon-Johnson, whose will provided that the residue of her estate should be applied for or towards the erection of a new wing to the Rotorua Public Library.

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 is the commencement clause. The Bill comes into force on the day after the date on which it receives the Royal assent.

Clause 3 defines terms used in the Bill.

Clause 4 describes the purpose of the Bill.

Clause 5 enables both the capital and income of the Fund to be applied for the general purposes of the Library.

Clause 6 consequentially repeals section 31 of the Local Legislation Act 1937.

Steve Chadwick

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The Parliament of New Zealand enacts as follows:

1 Title
This Act is the Rotorua Library Trust Fund Variation Act **2006**.

2 Commencement
This Act comes into force on the day after the date on which it receives the Royal assent. 5

Part 1

Preliminary provisions

3 Interpretation
In this Act, unless the context otherwise requires,—
Council means the Rotorua District Council 10
Fund means the endowment established by section 31 of the Local Legislation Act 1937 and now vested in the Council

Library means the Rotorua Public Library.

4 Purpose

The purpose of this Act is to—

- (a) enable both the capital and the income of the Fund to be applied by the Council for the general purposes of the Rotorua Library; and 5
- (b) consequentially amend the Local Legislation Act 1937.

Part 2 Application of Fund

5 Application of capital and income of fund 10

- (1) Both the capital and the income of the Fund may be applied by the Council for the general purposes of the Library.
- (2) In **subsection (1), general purposes** includes (but is not limited to)—
 - (a) any expansion of the Library; and 15
 - (b) any relocation of the Library; and
 - (c) the maintenance and upkeep of the Library; and
 - (d) the purchase of books, periodicals, other reading matter and any other materials of any kind available for use or hire by the public from the Library; and 20
 - (e) the technological enhancement of the facilities available by and through the Library.

6 Consequential amendment

Section 31(2) of the Local Legislation Act 1937 is consequentially repealed. 25

