

SERVICEMEN'S SETTLEMENT AMENDMENT BILL

EXPLANATORY NOTE

This Bill provides for several miscellaneous amendments of the Servicemen's Settlement Act 1950 (which will expire on 30 June 1952).

Section 30 of the principal Act provides that where a purchaser of farm land is a discharged serviceman the Land Valuation Committee is to consent to the transaction subject to certain other conditions being complied with. In those circumstances the Crown is not entitled to intervene and take the land for servicemen's settlement or to nominate a discharged serviceman as the purchaser in place of the purchaser under the transfer. A similar provision applies under section 36 in the case of a transfer of a lease or licence of Crown land. The purpose of *clause 2* of the Bill is to restrict this protection to servicemen who have not previously owned and sold a farm, whether or not they had rehabilitation assistance for its purchase. At present there is nothing to prevent a discharged serviceman from selling his farm, perhaps at a profit, and then purchasing another farm in competition with other discharged servicemen who have not previously been successful in acquiring a farm. The amendment will authorize the Crown to displace him in his subsequent purchase in the interests of the rehabilitation of servicemen who have not previously owned a farm. Whether or not the Crown will intervene in any such case will depend on the circumstances in each case.

Section 31 of the principal Act provides that in certain circumstances the Land Valuation Committee shall adjourn an application for consent to a sale of farm land, and the Crown then has a period of a month in which to take the land for servicemen's settlement or nominate a discharged serviceman as the purchaser instead of the purchaser under the transfer. The procedure in this case requires a notice to be signed by the Minister and, where the land is taken, to be gazetted, and, where another purchaser is nominated, to be filed in the Land Valuation Court. This must all be done within the period of a month. A similar procedure is specified in section 36 of the principal Act in the case of a sale of a lease or licence of Crown land. The purpose of *clause 3* of the Bill is to amend this procedure by providing that the notice may be signed either by the Minister or by the Commissioner of Crown Lands at the direction of the Minister, and is to be served on the vendor within the period of a month from the date of the adjournment. The gazetting of the notice or filing in the Court may be effected as soon as practicable after that.

Where the Crown intervenes in a transaction and acquires farm land for servicemen's settlement, the principal Act requires the Crown to pay to the vendor as compensation the purchase price specified in the contract of sale. It is possible in cases where a farm is sold as a going concern or together with other property that is not farm land for the parties to allocate an unduly high proportion of the total purchase price to the farm land and the balance to the other property for the purpose of deterring the Crown from intervening in the transaction, which it can do only by paying the high price allocated to the farm land. The purpose of *clause 4* of the Bill is to authorize the Crown in such a case to acquire the other property as well at the price specified in the contract; or if it is not so specified, at the proportion of the total purchase price allocated to it by the parties.

Hon. Mr. Corbett

SERVICEMEN'S SETTLEMENT AMENDMENT

ANALYSIS

Title.	
1. Short Title.	3. Amending procedure where Crown acquires land or nominates a purchaser.
2. Consent to transactions where purchaser a discharged serviceman who has previously owned farm land.	4. Crown may acquire or nominate purchaser of chattels, &c., sold with farm land.

A BILL INTITULED

AN ACT to amend the Servicemen's Settlement Act 1950. 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 Servicemen's Settlement Amendment Act 1951, and shall be read together with and deemed part of the Servicemen's Settlement Act 1950 (hereinafter referred to as the principal Act). Short Title.
1950, No. 41

10 2. (1) Section thirty of the principal Act is hereby amended by inserting in subsection one, after the words "the purchaser is a discharged serviceman", the words "who has not at any time after the commencement of this Act transferred, assigned, or otherwise disposed of
15 other farm land of which he was the beneficial owner or any estate or interest of which he was the beneficial owner in other farm land". Consent to transactions where purchaser a discharged serviceman who has previously owned farm land.

(2) Section thirty-one of the principal Act is hereby amended by inserting in subsection one, after the words "the vendor", the words "or is a discharged serviceman who at any time after the commencement of this Act has transferred, assigned, or otherwise disposed of other farm land of which he was the beneficial owner or any estate or interest of which he was the beneficial owner in other farm land".

(3) Section thirty-six of the principal Act is hereby amended by inserting in subsection one, after the words "the vendor", the words "or is a discharged serviceman who at any time after the commencement of this Act has transferred, assigned, or otherwise disposed of other farm land of which he was the beneficial owner or any estate or interest of which he was the beneficial owner in other farm land".

Amending
procedure
where Crown
acquires land
or nominates
a purchaser.

3. (1) Section thirty-one of the principal Act is hereby further amended by repealing subsection three, and substituting the following subsection:—

"(3) At any time within one month after the date of the adjournment, the Minister may, at his option, by notice signed by him or signed, at his direction by the Commissioner of Crown Lands for the land district in which the land is situated, and served on the vendor, either—

"(a) Declare that the land is taken for the settlement of discharged servicemen as from a date to be specified in the notice. In every such case the Minister as soon as may be thereafter shall give notice in the *Gazette* of the taking, specifying in the notice the date upon which the land shall vest in the Crown; or

"(b) Nominate a discharged serviceman to be substituted for the purchaser specified in the application. In every such case the Minister shall as soon as may be thereafter file a copy of the notice in the Court."

(2) Section thirty-six of the principal Act is hereby further amended by repealing subsection two, and substituting the following subsection:—

“ (2) At any time within one month after the date of the adjournment, the Minister may, at his option, by notice signed by him or signed at his direction by the Commissioner of Crown Lands for the land district in
5 which the land is situated, and served on the vendor, either—

“ (a) Declare that the interest of the lessee or licensee is taken for the settlement of discharged servicemen as from a date to be specified in the notice. In every such case the Minister as soon as may be thereafter shall give notice in the *Gazette* of the taking, specifying in the notice the date on which the interest of the lessee or licensee shall vest in the Crown;
10
15 or

“ (b) Nominate a discharged serviceman to be substituted for the purchaser specified in the application. In every such case the Minister shall as soon as may be thereafter lodge a copy of the notice in the Principal Land Office of the land district.”
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4. The principal Act is hereby amended by adding to Part II the following section:—

“ 36A. (1) Where as part of a transaction to which
25 this Part of this Act applies the parties thereto enter into a contract or agreement, whether in writing or otherwise, for the sale, transfer, hiring, or delivery of any other real or personal property, or for the granting of an option in relation thereto, and the Minister acquires
30 or arranges for the acquisition of the land to which the transaction relates or nominates a discharged serviceman as purchaser thereof, he may also at his option exercise the same powers in respect of that other property or any part thereof as if that other property were farm
35 land and as if the transaction in relation thereto were a transaction to which this Part of this Act applies.

“ (2) For the purposes of this section any contract or agreement as aforesaid shall be deemed to be part of a transaction to which this Part of this Act applies if—
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“ (a) It is collateral with or dependent on the transaction or the transaction is dependent on it; or

Crown may acquire or nominate purchaser of chattels, &c., sold with farm land.

“(b) It is contained in or evidenced by the same instrument that contains or evidences the transaction; or

“(c) In the absence of proof to the contrary, it is entered into between the same parties on the same date as the transaction or on any date within two months of the date of the transaction. 5

“(3) Where any contract or agreement as aforesaid forms part of any transaction to which this Part of this Act applies and separate prices for the different classes of property to which the transaction relates are not specified in the transaction, the vendor in his application to the Court for its consent to the transaction shall specify the portions of the total purchase price that the parties to the transaction allocate to the following different classes of property, or such of them as may be applicable, namely:— 10 15

“(a) Farm land:

“(b) Other land: 20

“(c) Farming stock, farming implements, and farming effects:

“(d) Other personal property.

“(4) The amounts so allocated to the different classes of property shall for the purposes of paragraph (b) of subsection four of section thirty-one of this Act and of paragraph (b) of subsection three of section thirty-six of this Act be deemed to be the purchase price thereof as if they had been specified as such in the contract or agreement.” 25 30