

[AS REPORTED FROM THE LOCAL BILLS COMMITTEE]
House of Representatives, 7th September, 1950

Words struck out by Committee are shown in italics within bold brackets or in roman enclosed in panel; words inserted are shown in black or in roman with rule down side.

Hon. Mr. Marshall

WELLINGTON CITY TRADING DEPARTMENTS'
RESERVE AND RENEWAL FUNDS
AMENDMENT

[LOCAL BILL]

ANALYSIS

Title.
1. Short Title.

2. Council may establish reserve funds. Consequential repeals.
3. Power to borrow in respect of tramway undertaking.

A BILL INTITULED

AN ACT to Amend the Wellington City Trading Departments' Reserve and Renewal Funds Act, 1917. Title.

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

1. This Act may be cited as the Wellington City Trading Departments' Reserve and Renewal Funds Amendment Act, 1950, and shall be read together with and deemed part of the Wellington City Trading Departments' Reserve and Renewal Funds Act, 1917 (hereinafter referred to as the principal Act). Short Title.

2. (1) Section thirteen of the principal Act is hereby repealed, and the following section substituted:— Council may establish reserve funds.
15 “ 13. (1) The Council may, in any year, after making provision for the charges referred to in section three of this Act, make an appropriation from the revenue of any undertaking referred to in that section to provide a reserve fund in respect of the undertaking.

2 *Wellington City Trading Departments' Reserve
and Renewal Funds Amendment*

“(2) Where in any year an appropriation has been made as aforesaid the Council shall in the month of April next following pay the amount so appropriated into a separate banking account to be termed the Tramway Reserve Fund Account or, as the case may require, the [*Electric-light*] **Electric Light** Reserve Fund Account. 5

“(3) The moneys paid into such account shall be applied for extensions and improvements in the undertaking in connection with which the fund is established, 10

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and for the reimbursement to the revenue account of the undertaking of any moneys expended out of the revenue account in meeting the cost of extensions and improvements in the undertaking, whether the expenditure of those moneys was incurred before the coming into force of this section or is incurred at any time hereafter. 15

“(4) If at any time the renewal funds created in respect of any undertaking are insufficient to meet renewals, the Council may use any part of the reserve fund established for that undertaking for the purposes of such renewals. 20

“(5) The Council may invest any part of any such reserve fund in the manner following:—

“(a) In New Zealand Government securities: 25

“(b) On deposit in any bank lawfully carrying on the business of banking in New Zealand:

“(c) In the Post Office Savings Bank:

“(d) In any other securities that may from time to time be authorized by the Governor-General in Council. 30

“(6) Separate accounts shall be kept by the Council of all moneys paid to or received by them in respect of such reserve funds.

“(7) Such accounts shall for the purposes of audit be subject to the provisions of the Municipal Corporations Act, 1933.” 35

Consequential
repeals.

(2) Paragraph (b) of section three of the Wellington City Empowering and Amendment Act, 1922, section six of the Wellington City Empowering and Amendment Act, 1938, and section five of the Wellington City Empowering and Amendment Act, 1943, are hereby repealed. 40

Struck out

3. The principal Act is hereby amended by adding the following section:—

5 “15. (1) Notwithstanding anything contained in section three of the Local Bodies' Finance Act, 1921-22, or in section thirty-two of the Finance Act, 1927 (No. 2), the Council may, in respect of its tramway and power-supply undertaking and in anticipation of its revenue therefrom, from time to time borrow moneys from its bankers by way of overdraft, or from any person by way of temporary loan, in excess of the limits imposed by the said section three but not exceeding in any one year the sum of one hundred thousand pounds.

10 “(2) All moneys borrowed under this section shall be repaid within five years after the date on which the moneys are so borrowed:

15 “ Provided that the whole or any part of the amount of any such overdraft or loan as aforesaid may from time to time, with the consent of the Local Government Loans Board, be renewed for such period and on such terms and conditions as the Local Government Loans Board thinks fit.”

Power to borrow in respect of tramway undertaking.