

## WOOL PROCEEDS RETENTION AMENDMENT BILL

### EXPLANATORY NOTE

This Bill makes various amendments to the Wool Proceeds Retention Act 1950. Its main purpose is to provide for the payment, by instalments spread over five years, of the moneys retained from the proceeds of wool sold or exported during the 1950-51 season, ending on 31 October 1951.

*Clause 2* clarifies the definition of the term "grower" so as to make it mean the beneficial owner of the wool immediately before its first sale or exportation. By virtue of the definition of the term "wool", no account is taken of a sale made before the wool is shorn unless the sale provides for delivery of the wool after shearing.

*Clause 3* provides that no moneys are to be paid out of a wool retention account except on application made either with the authority of the prescribed person under section 6 (3) of the principal Act or under some other provision of the Act or its amendments authorizing applications to be made. The bank or company is allowed a month to make any payment duly applied for (with provision for a close period from 1-14 January in any year), and no moneys are to be paid out until they have been retained for at least two months, and payment may be deferred while there is any dispute as to the person entitled.

*Clause 4* requires applications to be made in a form to be prescribed, or acceptable to the bank or company, and to include a statement as to whether any person other than the applicant has any right to receive the moneys applied for or any part of them.

*Clause 5* protects the rights of persons having mortgages or charges affecting the retained moneys, but only if the bank or company receives express notice in writing at the branch at which the wool retention account is kept. A notice received at the wrong branch is to be sent to the right branch or returned to the sender.

*Clause 6* provides that where any retained moneys are held for the personal representatives or trustees of any person who has died since 1 July 1950 an application may be made for payment of the whole or any part of the moneys within one year after the date of death or within three months after the passing of the Act.

*Clause 7: Subclause (1)* provides that, for the purposes of income tax and social security charge, retained moneys are deemed to be derived by the grower (or by the personal representatives of a deceased grower) when they are paid out of the wool retention account. This subclause replaces section 8 of the principal Act, which did not refer to the personal representatives of a deceased grower.

*Subclause (2)* provides that where the grower dies before any retained moneys are paid out of his wool retention account, the amount of the income tax and social security charge payable by his personal representatives on those moneys is to be allowed as a debt for death duty purposes, if application for payment of the moneys is made under *clause 6* of the Bill, or within one year of the date of death.

*Clause 8* provides that a grower may apply for his 1950-51 retained moneys by instalments spread over the five years 1952-56. One application may be made in each of those years. Each application may be for any sum up to one-fifth of the moneys, but so that no application is for less than £100 or the whole balance if it is less than £100. Any amount not applied for in one year may be included in the application for any later year. Any balance remaining in a wool retention account on 31 December 1956 is to be deemed to be paid out of the wool retention account on that date, and to be payable to the grower free from any restrictions.

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*Right Hon. Mr. Holland*

## WOOL PROCEEDS RETENTION AMENDMENT

### ANALYSIS

Title.	6. Payment of retained moneys on death of grower.
1. Short Title.	7. Income tax and death duties. Repeal.
2. Interpretation.	8. Payment by instalments of moneys retained for 1950-51 season.
3. Payments of retained moneys.	
4. Form of applications.	
5. Protection of mortgagees.	

### A BILL INTITULED

AN ACT to amend the Wool Proceeds Retention Act 1950. 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 Wool Proceeds Retention Amendment Act 1951, and shall be read together with and deemed part of the Wool Proceeds Retention Act 1950 (hereinafter referred to as the principal Act). Short Title. 1950, No. 97

2. (1) Section two of the principal Act is hereby amended by repealing the definition of the term "grower", and substituting the following definition:— Interpretation.  
" "Grower", in relation to any wool, means the person by whom the wool was owned immediately before the first sale or exportation thereof; and, where the grower is deceased, means his personal representatives."

(2) Section two of the principal Act is hereby further amended by adding the following subsection as subsection two thereof:—

“(2) For the purposes of this Act, where any wool is subject to a lien or charge or is vested in any person by way of security, the person entitled to the wool subject to discharge of the lien or charge or entitled to redeem the security shall be deemed to be the owner of the wool, and any sale or exportation of the wool or receipt of the proceeds of the sale thereof shall be deemed to be a sale or exportation or receipt by or on behalf of that owner.” 5

(3) This section shall be deemed to have come into force on the passing of the principal Act. 10

Payments of retained moneys.

3. (1) No payment of any moneys out of a wool retention account shall be made except on application duly made in the manner prescribed by the *next succeeding* section either by authority of the prescribed person under subsection three of section six of the principal Act or under some other provision of the principal Act or its amendments. 15

(2) Subject to the provisions of the principal Act, the bank or company by which a wool retention account is kept shall, within one month after receiving an application duly made as aforesaid for payment of any moneys in the account, pay those moneys to the grower or other person entitled thereto: 20

Provided that— 25

- (a) No moneys shall be paid before the expiration of two months from the date on which they were paid to the credit of the wool retention account:
- (b) Where the time for the payment of the moneys expires during the first fourteen days of the month of January in any year, it shall be deemed to be extended to the first business day after the fourteenth day of that month: 30
- (c) In the event of any dispute as to the person entitled to the moneys payment may be deferred until the dispute is settled. 35

(3) The bank or company shall be entitled to treat as the grower the person named as such by the Commission.

Form of applications.

4. (1) Every application for payment of any moneys out of a wool retention account shall be made in writing in the prescribed form or, if no form is prescribed, in a form provided by or acceptable to the bank or company by which the account is kept. 40

(2) Every such application shall include a statement by the applicant as to whether or not any person other than the applicant has any right to receive the moneys applied for or any part thereof by virtue of  
5 any agreement, lien, or charge, or otherwise, and, if so, giving particulars of that right and of the person entitled thereto.

(3) Every person who wilfully makes any statement for the purposes of subsection *two* of this section that is  
10 false or misleading in any material particular shall be liable on summary conviction to a fine not exceeding fifty pounds.

5. (1) Subject to the provisions of this section, nothing in the principal Act shall deprive any person  
15 of any lien or charge or assignment by way of mortgage, but any assignment by way of mortgage shall so far as it affects any moneys in a wool retention account be deemed to be a charge only.

Protection of mortgagees.

(2) No bank or company shall be affected by any  
20 such lien or charge or assignment of which it has not received express notice in writing at the branch at which the wool retention account is kept.

(3) Notwithstanding anything to the contrary in the Chattels Transfer Act 1924, or the Companies Act 1933,  
25 registration of any instrument under either of those Acts shall not in itself constitute notice of the existence of that instrument or its contents for the purposes of subsection *two* of this section.

See Reprint of Statutes, Vol. I, p. 632 1933, No. 29

(4) Where any notice of the right of any person  
30 other than the grower to receive any moneys in a wool retention account is received by any bank or company otherwise than at the branch where that wool retention account is kept, the bank or company shall forthwith  
35 forward the notice to the branch where the account is kept, or if that branch is not known, shall forthwith return the notice to the person from whom it was received.

6. Where a wool retention account is kept by a  
40 bank or company in the name of a grower who has died on or after the first day of July, nineteen hundred and fifty, or in the name of the personal representatives

Payment of retained moneys on death of grower.

of or the trustees for a person who has died on or after that date, the personal representatives of the deceased grower or person or, as the case may be, the trustees may at any time within one year after his death or within three months after the passing of this Act, whichever period is the later to expire, apply to the bank or company for payment out of the wool retention account of the whole or any part of the moneys credited or to be credited to the account in respect of wool sold or exported on or before the date of the delivery of the application. 5 10

Income tax and death duties.

7. (1) For the purpose of assessing the income tax and social security charge payable by any grower or by the personal representatives of any grower, any moneys paid to the credit of a wool retention account shall be deemed to be derived by the grower or his personal representatives when they are paid out of the wool retention account, and not before. 15

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

(2) In computing the final balance of the estate of any deceased person for the purposes of the Death Duties Act 1921, allowance shall be made under section nine of that Act for income tax and social security charge payable by his personal representatives on any moneys which form part of his dutiable estate or are the proceeds of wool forming part of his dutiable estate, if the moneys are paid out of a wool retention account kept wholly or partly on behalf of the deceased person or his personal representatives either on an application made under section six of this Act within the time allowed by that section or on an application made under any other provision of the principal Act or its amendments within one year after his death. 20 25 30

Repeal.

(3) Section eight of the principal Act is hereby repealed.

Payment by instalments of moneys retained for 1950-51 season.

8. (1) For the purposes of this section, the expression "1950-51 retained moneys", in relation to any grower, means the moneys paid to his wool retention account in respect of any wool sold or exported on or before the thirty-first day of October, nineteen hundred and fifty-one. 35 40

(2) A grower may apply under this section for payment of his 1950-51 retained moneys out of his wool retention account as follows:—

(a) He may make one application during each of the five years commencing with the year nineteen hundred and fifty-two: 45

(b) The amount applied for in each application shall be one-fifth of the total amount of the grower's 1950-51 retained moneys, or such smaller amount as the grower thinks fit:

5 Provided that where in any year the grower does not apply for the maximum amount that he could apply for in that year, the amount not applied for, or any part thereof, may be included in the application made by him in any subsequent year:

10 Provided also that no application shall be made for less than one hundred pounds or the balance of the 1950-51 retained moneys remaining in the grower's wool retention account, whichever is the less.

(3) If any of a grower's 1950-51 retained moneys  
15 remain in his wool retention account after the thirty-first day of December, nineteen hundred and fifty-six, they shall be payable to the grower or other person entitled thereto, and shall be free from any restrictions under the principal Act or its amendments. In every such case  
20 the principal Act and its amendments, including in particular section *seven* of this Act, shall apply as if the moneys had been paid out of the wool retention account on that day on an application duly made under the principal Act on that day.