

**Reprint  
as at 3 June 2017**



## **Local Authority Reorganisation (Property Transfers) Act 1990**

Public Act     1990 No 54  
Date of assent     3 July 1990  
Commencement     3 July 1990

Local Authority Reorganisation (Property Transfers) Act 1990: repealed, on 3 June 2017, by section 3(1) of the Statutes Repeal Act 2017 (2017 No 23).

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**Note**

Changes authorised by subpart 2 of Part 2 of the Legislation Act 2012 have been made in this official reprint.  
Note 4 at the end of this reprint provides a list of the amendments incorporated.

**This Act is administered by the Department of Internal Affairs.**

**An Act to provide for the modification or cancellation of certain arrangements arrived at or entered into in the light of the reorganisation or proposed reorganisation of certain local authorities**

**1 Short Title**

This Act may be cited as the Local Authority Reorganisation (Property Transfers) Act 1990.

**2 Interpretation**

(1) In this Act, unless the context otherwise requires,—

**holder**, in relation to any liable property, means the person who or which holds the property

**liable property**, in relation to a liable transaction, means property—

- (a) transferred in the transaction (whether or not it has again been transferred); or
- (b) bought with, or acquired in full or part exchange for, property that is liable property in relation to the transaction

**liable transaction** means a transfer of property made or agreed to be made by a local authority (being a local authority that has been dissolved or affected by an order under section 36 of the Local Government Act 1974) at any time during the period commencing on 14 November 1988 and ending with 31 October 1989

**property** includes—

- (a) a lease, licence, or permit; and
- (b) a right to obtain a lease, licence, or permit; and
- (c) an exemption from a requirement to have or obtain any lease, licence, or permit; and
- (d) a right to obtain an exemption from a requirement to have or obtain any lease, licence, or permit

**recipient**, in relation to a liable transaction, means the person to whom or which the transfer concerned was made

**transfer**, includes grant, conveyance, gift, and lease; and **to transfer** has a corresponding meaning

**transferor**, in relation to a liable transaction, means the local authority that made or agreed to make the transfer concerned.

(2) In this Act, terms defined in the Local Government Act 1974 have the meanings there defined.

**3 Act binds the Crown**

This Act binds the Crown.

**4 Commission may investigate transactions**

- (1) The Commission may, of its own motion or at the request of—
  - (a) the Minister; or
  - (b) a local authority that the Commission thinks would have acquired the property concerned if the transaction had not proceeded,—  
investigate any liable transaction.
- (2) The Commission may refuse to investigate a liable transaction; and may at any time discontinue any investigation it has begun.
- (3) As soon as is practicable after refusing to investigate, or discontinuing an investigation of, a liable transaction whose investigation has been requested under subsection (1), the Commission shall give the Minister or (as the case requires) the local authority requesting the investigation written notice of its reasons for doing so.
- (4) Subject to section 5, the Commission may, in investigating a liable transaction under this Act, have regard to any information already in its possession arising out of an investigation of or inquiry into the transaction that the Commission undertook before the commencement of this Act.

**5 Commission to give opportunity to consult**

- (1) When investigating a liable transaction, the Commission shall ensure that—
  - (a) the transferor (if it is still in existence); and
  - (b) any person who was a member of the transferor at any time during the period commencing on 14 November 1988 and ending with 31 October 1989; and
  - (c) any local authority that the Commission thinks is or may be affected by the transaction or any proposed rectification of the transaction; and
  - (d) the recipients; and
  - (e) any other holders of any of the liable property,—  
have a reasonable opportunity to meet the Commission, and to make oral or written submissions to the Commission, about the transaction and the extent (if any) to which it should be rectified.
- (2) The failure of any person to—
  - (a) take an opportunity under subsection (1); or
  - (b) comply with any request of the Commission,—  
shall not affect the Commission's ability to act under this Act.

**6 Matters to which Commission is to have regard**

In investigating a liable transaction, the Commission shall have regard to—

- (a) the purpose for which it purported to have been arrived at or entered into; and
- (b) its effect, in relation to the policies of the Government and the Commission underlying local government reform; and
- (c) the manner in which it was effected; and
- (d) the effect of the transfer on the allocation of the property concerned, pursuant to a final reorganisation scheme, to any local authority specified in the scheme; and
- (e) the desirability of ensuring that a local authority inheriting liabilities and duties from another should also inherit property from the other; and
- (f) the need to deal justly and equitably with persons who have acquired liable property for value; and
- (g) the need to deal justly and equitably with persons who have acquired in good faith liable property in the form of money, and spent it without acquiring property in exchange; and
- (h) any other matters the Commission thinks relevant.

**7 Commission may recommend rectification**

- (1) After completing any investigation, the Commission shall decide whether or not to rectify the liable transaction concerned.
- (2) The Commission shall rectify a liable transaction by—
  - (a) giving the Minister—
    - (i) written specific determinations as to the disposition and administration of all liable property concerned; and
    - (ii) written reasons for those determinations; and
  - (b) if a local authority requested the Commission to investigate the transaction, giving a copy of the determinations and reasons to it; and
  - (c) if the transferor is still in existence, giving a copy of the determinations and reasons to it.
- (3) A determination may specify—
  - (a) leaving any property as it is;
  - (b) vesting any property in a local authority;
  - (c) vesting any property in any other person;
  - (d) continuing in effect (whether unchanged or with modifications) any arrangement,—
    - (i) whether a trust, a contract, or any other arrangement; and

- (ii) whether or not there is any doubt or dispute as to the status of the recipient or any other holder of the property, the status of the property, or the validity of the transaction by which the arrangement was arrived at or entered into.
- (4) Subsection (3) does not limit the generality of subsection (2).
- (5) If the Commission decides not to rectify a liable transaction, it shall—
  - (a) give the Minister written reasons for the decision; and
  - (b) if a local authority requested the Commission to investigate the transaction, give a copy of the reasons to it; and
  - (c) if the transferor is still in existence, give a copy of the reasons to it.

## **8 Implementation of rectification**

- (1) Determinations under section 7(2) shall be given effect to by Order in Council.
- (2) Every Order in Council shall have effect according to its tenor.
- (3) No Order in Council is invalid on the ground that—
  - (a) it requires the holder of any property to transfer it to any other person; or
  - (b) it requires the holder of any property to hold it subject to any trusts specified in the order; or
  - (c) it frees any property of any trust to which it was or purported to be subject; or
  - (d) it requires any person to take any action that is in breach of any contract; or
  - (e) it continues in effect (whether unchanged or with modifications) any arrangement that was unlawfully arrived at or entered into; or
  - (f) it requires any public official to take or refrain from taking any action.
- (4) Subject to section 9, the fact that an Order in Council continues in effect (whether unchanged or with modifications) any arrangement does not, unless the order makes express provision to the contrary, limit or affect any civil or criminal liability arising before the commencement of this Act.

## **9 Protection of holders of property acting in good faith**

- (1) Subject to subsection (2), a person who has at any time been the holder of any liable property shall not be criminally or civilly liable for any action taken in respect of the property before there is made under section 8 an Order in Council affecting the property, if the action—
  - (a) was taken in good faith; and
  - (b) was not—
    - (i) an action taken, after 14 December 1989 and without the Minister's written consent, by a holder purporting to hold the property in trust; or

- (ii) the commencement or continuation (otherwise than by way of adjournment or discontinuance) after 14 December 1989 of any proceedings for or for the purpose of determining the status of the recipient or any other holder of the property, the status of the property, or the validity of the transaction by which the property was transferred; or
  - (iii) a transfer of the property after 14 December 1989.
- (2) Nothing in subsection (1) protects or exempts any person from criminal or civil liability—
  - (a) for a negligent action taken in respect of any property; or
  - (b) arising out of a failure to comply with an Order in Council under section 8.

**10 Commission may immediately recommend rectification of certain transactions**

- (1) The Commission may at any time rectify any transfer or purported transfer of property by the former Auckland Harbour Board during December 1988 to people holding or purporting to hold it as trustees; and, in relation to the rectification of any such transaction,—
  - (a) the investigations the Commission has already undertaken before the commencement of this Act shall be deemed to have been undertaken under section 4(1); and
  - (b) the Commission's decision to undertake those investigations is hereby declared to have been lawful, justified, and proper; and
  - (c) the manner in which the Commission undertook those investigations is hereby declared to have been lawful, justified, proper, and sufficient; and
  - (d) the consultations undertaken by the Commission in relation to those investigations are hereby declared to have been a sufficient compliance with section 5, and to have been lawful, justified, proper, and sufficient; and
  - (e) this Act shall have effect as if, in undertaking those investigations, the Commission had full and proper regard to the matters specified in paragraphs (a) to (h) of section 6, and did not have regard to any improper or irrelevant matter.
- (2) Nothing in subsection (1) limits or affects the generality of section 4(4).

## **Reprints notes**

### **1    *General***

This is a reprint of the Local Authority Reorganisation (Property Transfers) Act 1990 that incorporates all the amendments to that Act as at the date of the last amendment to it.

### **2    *Legal status***

Reprints are presumed to correctly state, as at the date of the reprint, the law enacted by the principal enactment and by any amendments to that enactment. Section 18 of the Legislation Act 2012 provides that this reprint, published in electronic form, has the status of an official version under section 17 of that Act. A printed version of the reprint produced directly from this official electronic version also has official status.

### **3    *Editorial and format changes***

Editorial and format changes to reprints are made using the powers under sections 24 to 26 of the Legislation Act 2012. See also <http://www.pco.parliament.govt.nz/editorial-conventions/>.

### **4    *Amendments incorporated in this reprint***

Statutes Repeal Act 2017 (2017 No 23): section 3(1)