



## Property Law Amendment Act 2016

Public Act      2016 No 66  
Date of assent      17 October 2016  
Commencement      see section 2

### Contents

	Page
1      Title	2
2      Commencement	2
3      Principal Act	2
4      New section 27A inserted (Writing required for discharge of debt by acceptance of part in satisfaction)	2
27A      Writing required for discharge of debt by acceptance of part in satisfaction	2
5      New subpart 5A of Part 2 inserted	2
Subpart 5A—Assignment of securities and rights of creditor to surety who pays debt	
53A      Interpretation	2
53B      Surety who pays debt entitled to assignment of all securities held by creditor	2
53C      Rights of surety	3
53D      Rights of co-sureties, etc, as between themselves	3
6      New sections 74A and 74B inserted	3
74A      Recovery of payments made under mistake of law	3
74B      Payments made under mistake of law or fact not always recoverable	3
<i>Consequential amendments</i>	
7      Amendment to Contractual Mistakes Act 1977	4
8      Amendment to Energy Resources Levy Act 1976	4
9      Amendment to Social Security Act 1964	4

**The Parliament of New Zealand enacts as follows:****1 Title**

This Act is the Property Law Amendment Act 2016.

**2 Commencement**

This Act comes into force on 1 March 2017.

**3 Principal Act**

This Act amends the Property Law Act 2007 (the **principal Act**).

**4 New section 27A inserted (Writing required for discharge of debt by acceptance of part in satisfaction)**

After section 27, insert:

**27A Writing required for discharge of debt by acceptance of part in satisfaction**

- (1) An acknowledgement in writing by a creditor, or by any person authorised by the creditor in writing, of the receipt of a part of the creditor's debt in satisfaction of the whole debt operates as a discharge of the debt.
- (2) This section applies despite anything to the contrary in any rule of law.

Compare: 1908 No 89 s 92

**5 New subpart 5A of Part 2 inserted**

After section 53, insert:

**Subpart 5A—Assignment of securities and rights of creditor to surety who pays debt****53A Interpretation**

In this subpart, **debt** and **payment of a debt** have the same meanings as in section 48.

**53B Surety who pays debt entitled to assignment of all securities held by creditor**

- (1) Every person (**person A**) who pays the debt of another person (being surety for the debt or liable with another person for the debt) is entitled to have assigned to person A, or a trustee for person A, every judgment, specialty, or other security held by the creditor in respect of the debt.
- (2) Subsection (1) applies whether the judgment, specialty, or other security is or is not deemed at law to be satisfied by the payment of the debt.

Compare: 1908 No 89 s 84

**53C Rights of surety**

- (1) Person A is entitled to stand in the place of the creditor, and to use all the remedies, and if need be, and upon a proper indemnity, to use the name of the creditor in any civil proceedings in order to obtain from the principal debtor or any co-surety, co-contractor, or co-debtor, as the case may be, indemnification for the advances made and loss sustained by person A in paying the debt.
- (2) The payment by person A may not be pleaded as a defence against any action or other proceeding by person A referred to in subsection (1).
- (3) In this section, **person A** means the person referred to as person A in section 53B.

Compare: 1908 No 89 s 85

**53D Rights of co-sureties, etc, as between themselves**

A co-surety, co-contractor, or co-debtor is not entitled to recover from any other co-surety, co-contractor, or co-debtor (**person B**) by the means referred to in section 53C more than the proportion to which, as between those parties themselves, person B is liable.

Compare: 1908 No 89 s 86

**6 New sections 74A and 74B inserted**

After section 74, insert:

**74A Recovery of payments made under mistake of law**

- (1) If relief in respect of any payment that has been made under mistake is sought in any court (whether in civil proceedings or by way of defence, set-off, counterclaim, or otherwise) and that relief could be granted if the mistake were wholly one of fact, that relief must not be denied by reason only that the mistake is one of law, whether or not it is in any degree also one of fact.
- (2) Nothing in this section enables relief to be given in respect of any payment made at a time when the law required, or allowed, or was commonly understood to require or allow, the payment to be made or enforced, by reason only that the law was subsequently changed or shown not to have been as it was commonly understood to have been at the time of the payment.

Compare: 1908 No 89 s 94A

**74B Payments made under mistake of law or fact not always recoverable**

Relief, whether under section 74A or in equity or otherwise, in respect of any payment made under mistake, whether of law or of fact, must be denied wholly or in part if the person from whom relief is sought received the payment in good faith and has so altered his or her position in reliance on the validity of the payment that in the opinion of the court, having regard to all possible impli-

cations in respect of other persons, it is inequitable to grant relief, or to grant relief in full, as the case may be.

Compare: 1908 No 89 s 94B

### *Consequential amendments*

#### **7 Amendment to Contractual Mistakes Act 1977**

- (1) This section amends the Contractual Mistakes Act 1977.
- (2) In section 5(2)(d), replace “sections 94A and 94B of the Judicature Act 1908” with “sections 74A and 74B of the Property Law Act 2007”.

#### **8 Amendment to Energy Resources Levy Act 1976**

- (1) This section amends the Energy Resources Levy Act 1976.
- (2) Replace section 31(5) with:
- (5) Section 74A(1) of the Property Law Act 2007 applies to any money paid by a purchaser to a seller in excess of the amount payable under this section (despite section 74A(2) of that Act).

#### **9 Amendment to Social Security Act 1964**

- (1) This section amends the Social Security Act 1964.
- (2) In section 86(1B), replace “section 94B of the Judicature Act 1908” with “section 74B of the Property Law Act 2007”.

### **Legislative history**

14 September 2016

Divided from Judicature Modernisation Bill (Bill 178–2) as  
Bill 178–3S

11 October 2016

Third reading

17 October 2016

Royal assent

This Act is administered by the Ministry of Justice.