

Local Bodies' Loans Amendment Act 1902

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An act to amend "The Local Bodies' Loans Act, 1901."

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

1 Short Title.

The Short Title of this Act is “The Local Bodies Loans Amendment Act, 1902”; and it shall form part of and be read together with “The Local Bodies Loans Act, 1901” (hereinafter referred to as “the principal Act”).

2 Section 2 of principal Act amended.

Section two of the principal Act is hereby amended by adding, after the words “Local fund means,” the words “the district fund in a borough.”

3 Margin of special rate.

Every special rate made as security for a loan shall be so calculated as to yield, if necessary, ten pounds per centum more than the annual or other charges in respect of the loan.

4 Special-rating area

Property becoming rateable.

- (1.) Every special rate made as security for a loan shall be made over an area contained within continuous boundaries, and all the rateable property within that area shall be liable to the special rate.
- (2.) Where, after the special rate is made, any property within that area becomes rateable property within the meaning of “The Rating Act, 1894,” such property shall become liable to the special rate, and shall be rated accordingly.
- (3.) The last preceding subsection shall apply and be deemed to have applied to all special rates made on or after the twelfth day of October, one thousand eight hundred and ninety-six, and in the case of special rates made before that date shall also apply to all property which after the passing of this Act becomes rateable property within the meaning of “The Rating Act, 1894.”

5 Where loan may be paid out of general fund.

- (1.) Where a special loan is secured by a special rate made over the whole of the district, the local authority may by special order decide to pay the interest, or interest and sinking fund, on such loan out of its general fund, and in such case it shall not be necessary to levy or collect such special rate.
- (2.) Where a special loan is secured by a special rate made over portion of the district, the local authority may, with the consent of the Auditor, by special order decide to pay the interest, or the interest and sinking fund, on the loan out of the general fund: Provided that the amount of the interest, or interest and sinking fund, on any such loan so paid shall not exceed twenty pounds in any one year.
- (3.) Subsection five of section sixteen of the principal Act is hereby repealed.

6 Section 45 of principal Act amended.

Subsection one of section forty-five of the principal Act is hereby amended by repealing the words "on the credit of the Corporation" in paragraph (a) thereof, and the words "as on the credit aforesaid" in paragraph (b) thereof, and also in the same paragraph by repealing the word "Corporation" and substituting in lieu thereof the words "local authority."

7 Power to lend to small boroughs for streets.

In addition to the several purposes for which Part II. of the principal Act applies to boroughs, as provided in section eighty of that Act, the said Part shall apply to boroughs having a less population at the time of the last preceding census than two thousand, for the purpose of making streets within the borough:

Provided that the Treasurer shall not lend to any borough in any year for that purpose any sum exceeding two thousand pounds.

8 Agreement to lend for two successive years.

In all cases where, under the principal Act or this Act, Part II. of the principal Act applies to boroughs, the Treasurer may agree to lend to the Council any sum not exceeding the amounts specified by those Acts in each of two successive years.

9 Inscription register.

- (1.) The Treasurer shall cause a register to be kept in the Treasury in which shall be inscribed, in the names of the Custodians of Securities under "The Public Securities Act, 1895," the total amount of the debt of each local authority in respect of moneys lent to it under Part II. of the principal Act.
- (2.) On such inscription being made the local authority shall not be required to give debentures as provided by sections eighteen to twenty-three of the principal Act.
Repeal.
- (3.) This section is in substitution for section one hundred of the principal Act, which section is hereby accordingly repealed.

10 Validation of irregularities.

Where at any time after a loan has been applied for or granted under the principal Act, or any Act thereby repealed, it is discovered that any of the proceedings prior to the granting of the loan were irregular or defective, the Governor, if satisfied that the ratepayers have not been misled, may by Order in Council gazetted validate such proceedings, and thereupon the validity of the proceedings or of the security for the loan shall not be questioned on the ground of such irregularity or defect.

11 On merger of district.

- (1.) The merger of any area over which a special rate is made as security for a loan shall not affect the special rate, which shall continue to be charged upon the whole area upon which it was charged prior to the merger, and shall be levied and recovered as if such merger had not taken place.
- (2.) Where in consequence of the merger the local authority that made the rate ceases to exist, the rate shall be levied and recovered by the local authority in whose district the area is merged, or, where there are more than one such local authorities, then in such one as the Governor by Order in Council declares; and such last-mentioned local authority shall in its own name have all the powers and authorities in respect of the special rate that the local authority which made the rate had.
- (3.) Where, in the case of any special rate made over any area heretofore merged, a question arises as to the local authority entitled to collect the rate, such question shall be decided by the Governor in Council after consideration of any representation made to him by the local authorities concerned.
- (4.) The merger of any district, or part of a district, on which a special rate is made as security for a loan granted under Part II. of the principal Act shall not have effect unless and until notice of the merger is sent to the Treasurer, and published in the *Gazette*.

Repeal.

- (5.) This section is in substitution for subsection one of section one hundred and seven of the principal Act, which section is hereby accordingly repealed.

12 Repeal.

Sections one hundred and twenty to one hundred and fifty- three and the Fifth Schedule to "The Municipal Corporations Act, 1900" (relating to special loans), are hereby repealed: Provided that such repeal shall not affect any loan raised under the repealed sections, nor the rights or power of recovery of any holder of a debenture or coupon issued thereunder; and that all proceedings commenced under those sections prior to the passing of this Act may be completed under the principal Act.

13 Loans existing on the passing of the principal Act.

With respect to special loans raised under any enactment repealed by the principal Act or this Act, the following provisions shall apply and be deemed to have applied as from the passing of the principal Act:—

- (1.) Any Sinking Fund Commissioners appointed in connection with any such special loan shall be deemed to have been appointed under the principal Act, and the provisions thereof shall apply to them accordingly.
- (2.) In the case of special loans raised under "The Local Bodies Loans Act, 1886," the additional power of sale of the public work or undertaking

conferred by section sixty-six of that Act, and the other provisions of such Act relating to such sale, shall continue to apply.

- (3.) Any debenture or bond issued in respect of any such loan may be transferred as provided in sections twenty and twenty-one of the principal Act,

14 First Schedule amended.

The First Schedule to the principal Act is hereby amended by adding, after the words "special loan" in the form numbered (1) therein, the words "under The Local Bodies' Loans Act, 1901."

15 Goldfield revenue.

The words "goldfield revenue" where used in section two of "The Local Bodies' Goldfields Public Works and Loans Act, 1901," include gold duty.