



ANALYSIS

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1976, No. 29

An Act to amend the Local Authorities Loans Act 1956

[1 November 1976]

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—This Act may be cited as the Local Authorities Loans Amendment Act 1976, and shall be read together with and deemed part of the Local Authorities Loans Act 1956 (hereinafter referred to as the principal Act).

2. Local Authorities Loans Board constituted—Section 4 of the principal Act is hereby amended by repealing subsection (1), and substituting the following subsection:

“(1) For the purposes of considering proposals by local authorities to borrow money and of exercising the powers, duties, and functions hereinafter set forth, there is hereby constituted a Board, to be known as the Local Authorities Loans Board, which shall consist of the following persons:

“(a) The Secretary to the Treasury:

“(b) The Commissioner of Works:

“(c) The Secretary for Local Government:

“(d) Four other persons to be appointed by the Governor-General, and to hold office as members of the Board during his pleasure.”

3. Result of poll or consent of ratepayers to be notified to Minister for his consent—(1) Section 13 of the principal Act is hereby amended by inserting in subsection (2), subsection (2A) (as inserted by section 2 (1) of the Local Authorities Loans Amendment Act 1959), subsection (3), and subsection (4) (as substituted by section 2 (3) of the Local Authorities Loans Amendment Act 1959), after the word “Chairman”, the words “or the principal executive officer”.

(2) Section 13 of the principal Act is hereby further amended by omitting from subsection (2A) (as so inserted) the words “subsection (1)”, and substituting the words “subsection (2)”.

4. Loan may be raised pursuant to special order, but poll may be required in certain cases—(1) Section 34 of the principal Act (as substituted by section 8 (1) of the Local Authorities Loans Amendment Act 1971) is hereby amended by omitting from subsection (2) (b) and also from subsection (3) the words “5 percent”, and substituting in each case the words “15 percent”.

(2) Where before the passing of this Act a local authority has passed a resolution to make a special order to raise a special loan but the resolution has not been confirmed before the passing of this Act, subsections (2) (b) and (3) of section 34 of the principal Act shall continue to apply with respect to the proposal to raise the special loan as if subsection (1) of this section had not been enacted.

5. Loan money to be paid into a separate bank account—(1) Section 56 of the principal Act is hereby amended by repealing subsection (1), and substituting the following subsection:

“(1) Subject to section 54 (3) of this Act, all money raised under this Part of this Act by a local authority shall immediately on its receipt by the local authority, unless otherwise approved by the Audit Office, be paid into a separate bank account at the bank where the local fund account is kept, and, subject to section 33 of this Act, shall not be drawn out of that separate bank account or expended except for the respective purposes of the loans as specified in the sanctions of the Local Authorities Loans Board:

“Provided that the local authority may deposit at interest with the National Provident Fund Board any sums of money at credit of any such separate bank account:

“Provided also that the local authority may by agreement with any trading bank or savings bank deposit at interest with that bank or savings bank any sums of money at credit of any such separate bank account:

“Provided further that the rights relating to any such deposit with the Board or any bank or savings bank shall not be assignable.”

(2) Section 56 of the principal Act is hereby further amended—

(a) By repealing subsections (3), (4), (6), and (7):

(b) By omitting from subsection (5) the words “with any bank under this section or invested”.

6. Retrospective consents—(1) The principal Act is hereby further amended by repealing section 130A (as inserted by section 16 of the Local Authorities Loans Amendment Act 1971), and substituting the following section:

“130A. Where—

“(a) Pursuant to this Act the prior consent, sanction, or approval of the Minister or the Local Authorities Loans Board; or

“(b) Pursuant to any other Act the prior consent, sanction, or approval of the Board—

is required to any matter or thing, and any such matter or thing is done without that consent, sanction, or approval having been obtained, the Minister or the Board, as the case may be, may at any time thereafter, if satisfied that consent, sanction, or approval would have been given if application therefor had been made at the proper time, in his or its discretion give that consent, sanction, or approval; and thereupon, subject to the terms of the consent, sanction, or approval, the matter or thing so done shall be as valid and effectual as if it had been done with the prior consent, sanction, or approval of the Minister or the Board, as the case may be.”

(2) Section 16 of the Local Authorities Loans Amendment Act 1971 is hereby consequentially repealed.