



## ANALYSIS

Title 1. Short Title and commencement	2. Limitation of power of local authorities to borrow for revenue purposes
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1989, No. 37

**An Act to amend the Local Authorities Loans Act 1956**

[6 June 1989]

BE IT ENACTED by the Parliament of New Zealand as follows:

**1. Short Title and commencement**—(1) This Act may be cited as the Local Authorities Loans Amendment Act 1989, and shall be read together with and deemed part of the Local Authorities Loans Act 1956 (hereinafter referred to as the principal Act).

(2) This Act shall come into force on the 1st day of November 1989.

**2. Limitation of power of local authorities to borrow for revenue purposes**—(1) Section 20 (2) (a) of the principal Act is hereby amended by omitting the word “year”, and substituting the words “12 months”.

(2) Section 20 of the principal Act is hereby further amended by repealing subsection (5), and substituting the following subsections:

“(5) Where—

“(a) The districts or regions or areas of former local authorities are wholly within the district or region of a newly constituted local authority; and

“(b) All of the functions of those former local authorities have become functions of the newly constituted local authority,—

the limit of the borrowing powers under this section of the newly constituted local authority in the first year of its existence shall be the sum of the borrowing powers of the former local authorities, plus, in any case where part of a

district or region or area or only some of the functions of a local authority have become functions of the newly constituted local authority, such additional amount as the Minister of Local Government may approve.

“(5A) In the case of a newly constituted local authority to which subsection (5) of this section does not apply, the limit of its borrowing powers under this section in the first year of its existence shall be such as may be approved by the Minister of Local Government.”

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This Act is administered in the Treasury.

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