

New Zealand.

## ANALYSIS.

- Title.  
1. Short Title and commencement.  
2. Interpretation.

3. Limiting rates of interest payable on loans raised by local authorities and public bodies pursuant to any existing authority.  
4. Minister of Finance may grant exemption from the restrictions imposed by this Act.

## 1931, No. 12.

Title. AN ACT to regulate the Rates of Interest payable by Local Authorities and Public Bodies on Moneys hereafter borrowed pursuant to any Authority existing at the Commencement of this Act.

[31st July, 1931.]

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

Short Title and commencement.

1. This Act may be cited as the Local Authorities' Loans (Rates of Interest) Act, 1931, and shall come into force on the first day of August, nineteen hundred and thirty-one.

Interpretation.

2. In this Act, unless the context otherwise requires,—

“Local authority” includes all local authorities and public bodies which for the time being are local authorities within the meaning of the Local Government Loans Board Act, 1926, whether by virtue of section two of that Act, or of any Order in Council thereunder, or by virtue of the provisions of any other Act :

“Prescribed rate of interest”, in relation to any moneys heretofore authorized to be borrowed but not yet borrowed, means the rate of interest or the maximum rate of interest prescribed in respect thereof by any Act, or by an Order in Council heretofore issued pursuant to section one hundred and fourteen of the Local Bodies' Loans Act, 1926, or by the consent of the Governor-General in Council heretofore given under section eleven of the Local Government Loans Board Act, 1926.

3. (1) Notwithstanding anything to the contrary in any Act or in any Order in Council or other authority in force on the commencement of this Act, it shall not be lawful or competent for any local authority to borrow or to contract to borrow money (otherwise than in anticipation of its revenue within the limits of its powers, if any, in that behalf) at a rate of interest in excess of five per centum per annum, where the prescribed rate does not exceed five and one-half per centum per annum, and, where the prescribed rate exceeds five and one-half per centum per annum, at a rate of interest in excess of the prescribed rate reduced by one-half per centum per annum.

Limiting rates of interest payable on loans raised by local authorities and public bodies pursuant to any existing authority.

(2) Nothing in the foregoing provisions of this section shall restrict the power to prescribe rates of interest conferred on the Governor-General in Council by section one hundred and fourteen of the Local Bodies' Loans Act, 1926, and such power may be exercised in respect of any moneys hereafter proposed to be borrowed, whether the authority to borrow such moneys has been conferred before or after the commencement of this Act.

4. The Minister of Finance may, if he thinks fit, exempt any local authority from the restrictions imposed by the foregoing provisions of this Act, in respect of any moneys proposed to be borrowed by that local authority, if he is satisfied that before the commencement of this Act, the local authority has contracted with any lender to borrow such moneys or has entered into negotiations with a prospective lender for the borrowing of such moneys.

Minister of Finance may grant exemption from the restrictions imposed by this Act.