



3. (1.) For the purposes of paragraph (4) of section fourteen of the principal Act, a special loan may be raised by a local authority without special order other than the special order making a special rate, and that section is hereby modified accordingly.

Section 14 of principal Act amended.

(2.) This section shall be deemed to have been in operation from the date of the commencement of the principal Act.

4. The purchase by any Commissioners of Sinking Funds appointed under Part I of the principal Act of any debenture securing repayment of any part of the loan for which a sinking fund was created shall be deemed to be an investment of the sinking fund within the meaning of section twenty-eight of the principal Act.

Investment of sinking funds.

5. Subsection two of section seventy-eight of the principal Act is hereby amended by inserting after the word "application" the words "shall be accompanied by a certified copy of the special order making the bridge rate, and"; also by adding thereto the following paragraph:—

Application for bridge loan.

"(d.) A statement showing the amount and currency of the proposed loan, together with the rate of interest and dates of payment thereof."

6. Subsection four of section ninety-six of the principal Act (relating to the sinking fund created under Part III of that Act) is hereby amended by repealing all the words after "subsections" down to and inclusive of "The remainder."

Sinking fund under Part III.

7. (1.) The merger of any area over which a special rate is made as security for a loan, or the inclusion of such area within the district of a local authority other than the local authority that made the rate, shall not affect such special rate as a security, but the same shall continue to be charged and levied upon the whole area upon which it was charged prior to such merger or inclusion, subject as hereinafter provided.

Effect of merger of special-rating area.

(2.) Where the whole of such area is merged or included as aforesaid, then the whole of the liability in respect of the loan shall upon such merger or inclusion *ipso facto* become a liability of the local authority within whose district such area is merged or included, and all the powers and authorities in connection with the loan shall be deemed to be transferred from the local authority that raised the loan to the local authority within whose district such area is merged or included; and such last-mentioned local authority shall take all such steps as may be necessary for collecting and recovering the special rate, or for making any further rate or rates that may be required to meet the charges or interest from time to time payable with respect to the loan.

(3.) Where part only of the area is merged or included as aforesaid, then, upon the written application of the local authority that raised the loan, or of the Colonial Treasurer, the Governor in Council may adjust or apportion the liability in respect of such loan among the respective local authorities affected by such merger or inclusion.

(4.) Where a transfer, or adjustment, or apportionment of liability has been made as aforesaid, all such entries may, with the previous consent of the Auditor, be made in the register prescribed by section nine of "The Local Bodies' Loans Amendment Act, 1902," as are necessary to give effect to such transfer, adjustment, or apportionment:

Provided that in every case such notices shall be given to the local authority or authorities in whose district any such part area has been merged or included as may be prescribed by regulations made under this Act.

(5.) Where in the case of any special rate made as security for a loan over any area heretofore merged or included as aforesaid a question arises as to the local authority entitled or liable to collect the rate, or liable to make the payments in respect of the loan, such question shall be decided by the Governor in Council, upon the written application of the local authority that raised the loan or is for the time being liable to pay the interest and charges in respect thereof, or upon application by the Colonial Treasurer :

Provided that in every such case the like notices shall be given and the like consequences shall ensue as upon a transfer, or adjustment, or apportionment, as the case may be, under this section :

Provided also that any such transfer, adjustment, or apportionment shall take effect as from a date to be specified in the Order in Council.

(6.) The provisions of this section shall be a sufficient authority to any local authority to whom any loan has been transferred or apportioned, in whole or in part, under this Act to make and levy by special order, and without obtaining the consent of the ratepayers of the special-rating district, such further special rate or rates on the rateable property therein as may be required to meet the interest and charges in respect of such loan.

(7.) This section shall apply only to loans granted by the Colonial Treasurer under the principal Act and its amendments.

Repeal.

(8.) This section is in substitution for section eleven of "The Local Bodies' Loans Amendment Act, 1902"; and that section, and also sections eleven and twelve of "The Local Bodies' Loans Amendment Act, 1903," are hereby repealed.

Proceedings for raising loans.

8. In order to remove any doubt as to the operation of section twenty-four of "The Municipal Corporations Act, 1900," and section three of "The Local Elections Act, 1904," it is hereby declared that all proposals for loans shall be submitted under the principal Act and not under "The Local Elections Act, 1904": Provided that no proceedings heretofore taken for the raising of any loan shall be deemed to be invalid merely on the ground that the proposal was submitted under the one Act instead of under the other.

Crown liable for special rates in certain cases.

9. In any case where land liable to any special rate is acquired by the Crown, the Crown shall be liable for payment of such rate for any year during which there is no occupier of the land within the meaning of "The Rating Act, 1894."

Power to make regulations.

10. The Governor may from time to time, by Order in Council gazetted, make regulations—

- (a.) Prescribing the forms and procedure necessary to give effect to the provisions of sections seventy-seven to seventy-nine of the principal Act; and
- (b.) Generally for any purpose for which regulations are contemplated by the principal Act or this Act.