

New Zealand.



ANALYSIS.

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1926, No. 60.

AN ACT to establish a Local Government Loans Board and to define its Powers. Title.
[11th September, 1926.]

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

1. This Act may be cited as the Local Government Loans Board Act, 1926, and shall come into operation on the first day of April, nineteen hundred and twenty-seven. Short Title.

2. In this Act the term "local authority" includes a local authority as defined by the Local Bodies' Loans Act, 1926, and also includes a Harbour Board, a Hospital Board, an Electric-power Board, a Railway Board, and such other public bodies as are from time to time declared by the Governor-General by Order in Council to be local authorities for the purposes of this Act. Interpretation.

3. Notwithstanding anything to the contrary in any Act, it shall not be lawful or competent for any local authority to borrow or contract to borrow any money (otherwise than in anticipation of its revenue within the limits of its powers, if any, in that behalf), whether from the Local authorities not to borrow money except under provisions of this Act.

State Advances Office or from any other source whatever, and whether in pursuance of a special Act or under any authority whatever, without the precedent consent of the Governor-General in Council given after compliance with the provisions of this Act.

Local Government
Loans Board
constituted.

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

(a.) The officers for the time being holding in the Public Service the offices of the Secretary to the Treasury and the Engineer-in-Chief of the Public Works Department :

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

(2.) In the absence from any meeting of the Board of any member who is an officer of the Public Service, any officer of his Department having authority to act in his place during his absence may attend such meeting in his stead, and while so attending shall be deemed to be a member of the Board.

(3.) The fact that any such officer so attends and acts shall be conclusive proof of his authority so to do.

(4.) The Governor-General may from time to time appoint one of the members of the Board to be the Chairman of the Board.

(5.) In the absence of the Chairman from any meeting of the Board the members present shall appoint one of their number to be Chairman of that meeting.

(6.) Four members shall form a quorum at any meeting of the Board. The powers of the Board shall not be affected by any vacancy in the membership thereof.

(7.) All matters coming before the Board shall be considered and determined only at meetings of the Board, and at every such meeting the decision of a majority of the members present thereat shall be deemed to be the decision of the Board.

(8.) On any question before the Board the Chairman shall have a deliberative vote, and in case of an equality of votes shall also have a casting-vote.

(9.) The Board may make rules consistent with this Act governing its own procedure.

Applications to
Board by local
authorities.

5. (1.) Every local authority which proposes to borrow any moneys otherwise than in anticipation of its revenue shall submit to the Board an application and statement giving such information and particulars as may be required by the Board, which information and particulars shall be verified in such manner as may be required by the Board.

(2.) Upon receipt of such application and statement the Board may of itself, or by any of its members, or by any other person authorized by it in that behalf, make such investigations in respect of such application as the Board shall think fit.

(3.) The Board or any person authorized by it in that behalf shall, when making investigations in respect of any such application of a local authority, have all the powers of a Commission under the Commissions of Inquiry Act, 1908.

6. (1.) In respect of every such application made to the Board by a local authority the Board may,— Powers of the Board.

(a.) Subject to the provisions of subsection three hereof, sanction the application wholly or in part, and unconditionally, or subject to such terms, conditions, and stipulations as the Board shall think fit; or

(b.) Require the applicant local authority to divide the loan proposal into constituent items to the intent that the ratepayers may vote separately on each item; or

(c.) Refer the application back to the applicant local authority for modification or amendment; or

(d.) Decline to sanction the proposed loan.

(2.) The Board shall duly notify the applicant local authority of its decision with respect to such local authority's application.

(3.) The Board shall not sanction any application for authority to raise a loan unless provision to its satisfaction is made by the local authority for repayment of the loan within such period as the Board deems reasonable, having regard to the probable duration and continuing utility of the works for the purposes of which the loan-moneys are proposed to be expended.

7. In the event of the Board declining to sanction the application of a local authority to borrow moneys, no further application shall be made to the Board for its sanction in respect of the same loan proposals within a period of twelve months from the date of the Board's decision, unless in the meantime there has been a material change of circumstances affecting the loan proposals.

Application not to be renewed within twelve months.

8. In any case where the authority of a local authority to borrow moneys is dependent upon a proposal so to borrow being carried at a poll of ratepayers, such poll shall not be taken unless and until the Board notifies such local authority of its sanction; and the Board may require such local authority to give public notice in the prescribed manner of such of the Board's statements with respect to the proposal as it thinks fit, and also to print any such statements on the face of the ballot-paper to be used at the poll.

No poll of ratepayers to be taken before the Board's sanction is given.

9. (1.) Where the local authority, with the precedent sanction of the Board, takes a poll of ratepayers on a proposal to borrow moneys, such local authority shall duly notify the Board of the result of such poll.

Result of poll to be notified to Governor-General in Council for his consent.

(2.) In the event of such proposal being carried, the Board, on receipt of a notification from the local authority to that effect, shall forthwith notify the result of such poll to the Minister of Finance, who shall in due course submit a recommendation to the Governor-General in Council for the authorization of the raising of the loan.

(3.) No further steps shall be taken by the local authority to raise the proposed loan until the consent of the Governor-General in Council has been given thereto.

10. (1.) In every case where the Board has given its sanction to the loan application of a local authority which is not required to obtain by means of a poll the consent of the ratepayers of its district or any part thereof to the borrowing of moneys, the Board shall notify the Minister of Finance of its sanction, and the Minister of Finance shall in due course submit a recommendation to the Governor-General in Council for his consent to the raising of the loan.

Where poll not required to be taken, the Board's sanction to the loan to be notified to the Governor-General in Council for his consent.

(2.) No further steps shall be taken by the local authority to raise the loan until the consent of the Governor-General in Council has been given thereto.

Conditions of Governor-General's consent to raising of loan.

11. The Governor-General in Council, in giving his consent to the borrowing of moneys by the local authority, may impose such conditions with respect to the time at which such moneys may be borrowed, the rate of interest that may be paid in respect thereto, the term for which they may be borrowed, and provisions for repayment thereof as he thinks fit, and it shall not be lawful for the local authority to borrow such moneys save in accordance with the conditions so imposed.

Limitation of application of Act.

12. Nothing in this Act, except the provisions of the last preceding section, shall apply to limit in any manner the power conferred on a local authority by any Act to borrow moneys for the purpose of meeting its liability in respect of an adjustment of property, liabilities, contracts, and engagements between it and any other local authority made pursuant to statutory authority, or to borrow moneys for the purpose of meeting any other liabilities imposed upon such local authority by or pursuant to any Act.

Application of Act to the renewal of loans.

13. (1.) Save as provided in this section, the provisions of this Act shall apply with respect to the renewal of any loan in the same manner as they apply with respect to an original loan.

(2.) The Board shall not in any case decline to sanction a proposal to renew any loan, but may impose such conditions as it thinks fit with respect to the repayment of the loan by the creation of a sinking fund or otherwise.

Minister of Finance may grant exemption from operation of this Act in cases where steps to raise loan have already been taken.

14. The Minister of Finance may, if he thinks fit, exempt any local authority from the requirements of this Act in respect of any loan proposed to be raised by that local authority if, before the coming into operation of this Act, the local authority has taken any steps in respect of the raising of such loan, and in such case the local authority may proceed to raise the loan as if this Act had not been passed.

Regulations.

15. The Governor-General may, by Order in Council, make regulations—

- (a.) Fixing the remuneration and travelling and other allowances of members of the Board who are not officers of the Public Service :
- (b.) Providing, where there is no provision in this Act or not sufficient provision in respect of any matter or thing necessary to give effect to this Act, in what manner and form the deficiency shall be supplied :
- (c.) Making any provisions which may be convenient for the administration of this Act, or which may be desirable or necessary to carry its object into full effect.

Repeals and savings.

16. (1.) Section twenty of the Finance Act, 1919, is hereby repealed.

(2.) Any consent given by the Governor-General in Council under that section, or under section twenty-six of the Appropriation Act, 1915, shall enure for all purposes as if it had been given under this Act and the requirements of this Act had been duly complied with.