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ACCIDENT COMPENSATION AMENDMENT BILL

EXPLANATORY NOTE

This Bill amends the Accident Compensation Act 1972. The amendments relate to the levies payable under the motor vehicle accident scheme. The scheme is to come into force on 1 April 1974, and levies in respect of the first 3 months thereafter are being collected in conjunction with third-party risks premiums for the motor vehicle licensing year commencing on 1 July 1973.

Clause 1 relates to the Short Title and commencement of the Bill. It is to be deemed to have come into force on 1 June 1973 so as to fit in with the pattern of motor vehicle licensing for the year commencing 1 July 1973.

Clause 2 defines the terms "owner", "trade licence", and "trade plates", which are used in the Bill, as having the same meaning as in section 2 of the Transport Act 1962 (as substituted by section 2 of the Transport Amendment Act 1972).

Clause 3: The present section 98 (1) (a) requires payment of levies in respect of motor vehicles which are licensed or required to be registered and licensed. Under section 22 of the Transport Act 1962 (as substituted by section 5 of the Transport Amendment Act 1971), trade plates and trade licences may be issued to dealers and certain other persons and Government Departments. This enables vehicles to be used on a road, notwithstanding that they are not registered, so long as the trade plates and trade licence are affixed. In those cases, the licensing fee is payable for the issue of the trade licence in respect of the set of trade plates and not in respect of each vehicle which may be used in that way. A doubt, therefore, arises as to whether a motor vehicle which has not been licensed in the ordinary way but which may be used on a road with trade plates is one which itself is "licensed" or required to be "licensed". The new clause is designed to clarify the position in this respect. It also provides that, in those cases, the levy (which is charged per set of trade plates) is payable by the person to whom the trade licence is issued, and that in all other cases it is payable by the "owner".

Clause 4: Section 99 (4) provides for a refund of levy where registration of a motor vehicle is cancelled in the course of a licensing year. In the case of a motor vehicle brought to New Zealand by a visitor to New Zealand, the vehicle is exempt from registration and provision needs to be made for a refund of levy when the vehicle is removed from New Zealand.

Clause 4 adds a further subsection to section 99 to provide for this. This subsection is broadly along the lines of regulation 4 (3) of the Transport (Convention on Road Traffic) Regulations 1958 (S.R. 1958/60) which provides for a refund in respect of the insurance premium under Part VI of the Transport Act 1962 in similar circumstances. It is drawn in terms that will apply to the licensing year to commence on 1 July 1974 and subsequent licensing years. The clause also provides that the Commission may make adjustments or refunds in respect of levy where in the course of a licensing year a motor vehicle is used for a purpose different from that indicated by the annual licence in respect of the vehicle, or where the motor vehicle of a visitor to New Zealand is destroyed or becomes permanently useless as such.

Clause 5: Subsections (3) and (4) of section 99 of the principal Act provide, in effect, that where licences are applied for or registration is cancelled in the course of a licensing year, the levy will be adjusted by reduction or refund in the proportion of one-twelfth for every complete month during which the licence is not in operation. Subsection (6) which is being added to section 99 by *clause 4* provides for a similar adjustment when a visitor's car is removed from New Zealand. These provisions are appropriate in the case of a normal licensing year, but are not appropriate in the case of the transitional licensing year commencing on 1 July 1973. The levies in respect of that year will be payable for cover which will operate for only 3 months (i.e., from 1 April 1974 to 30 June 1974) and the reduction or refund should, therefore, be in the proportion of one-third for every complete month of that period of 3 months during which the licence is not in operation. *Clause 5* provides accordingly.

Hon. Mr Watt

ACCIDENT COMPENSATION AMENDMENT

ANALYSIS

Title	3. Levies on motor vehicles
1. Short Title and commencement	4. Rates of levies on motor vehicles
2. Interpretation	5. Transitional provisions in respect of levies on motor vehicles

A BILL INTITULED

An Act to amend the Accident Compensation Act 1972

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

1. Short Title and commencement—(1) This Act may be cited as the Accident Compensation Amendment Act 1973, and shall be read together with and deemed part of the Accident Compensation Act 1972* (hereinafter referred to
10 as the principal Act).

(2) This Act shall be deemed to have come into force on the 1st day of June 1973.

2. Interpretation—Section 2 of the principal Act is hereby amended by inserting in subsection (1), in their appropriate
15 alphabetical order, the following definitions:

“‘Owner’, in relation to a motor vehicle, has the meaning specified in section 2 of the Transport Act 1962 (as substituted by section 2 (1) of the Transport Amendment Act 1972):

*1972, No. 43

No. 59—1

“‘Trade licence’ has the meaning specified in the said section 2 of the Transport Act 1962:

“‘Trade plates’ has the meaning specified in the said section 2 of the Transport Act 1962:”.

3. Levies on motor vehicles—The principal Act is hereby amended by repealing section 98, and substituting the following section: 5

“98. (1) A levy at the rate prescribed under section 99 of this Act shall be payable in respect of—

“(a) Every motor vehicle which is required to be registered and licensed under Part II of the Transport Act 1962: 10

“(b) Any motor vehicle or motor vehicles which may be used in accordance with and under the authority of section 22 of the Transport Act 1962, as substituted by section 5 of the Transport Amendment Act 1971: 15

“(c) Every motor vehicle to which section 93 of this Act applies, being a motor vehicle in New Zealand of a visitor to New Zealand. 20

“(2) In the case of a motor vehicle or motor vehicles to which paragraph (a) or paragraph (b) of subsection (1) of this section applies, the levy shall be payable to any Deputy Registrar of Motor Vehicles in respect of each licensing year (as defined in section 6 of the Transport Act 1962) which commences on or after the 1st day of July 1973. 25

“(3) In the case of a motor vehicle to which paragraph (a) of subsection (1) of this section applies, the levy shall be paid by the owner of the motor vehicle and shall accompany the application made under section 12 of the Transport Act 1962 for an annual licence for the vehicle. 30

“(4) In the case of a motor vehicle to which paragraph (b) of subsection (1) of this section applies, the levy shall accompany the application for a trade licence in respect of any set of trade plates for use in a specified licensing year in accordance with section 22 of the Transport Act 1962, and shall be paid by the person to whom or the Government Department to which that trade licence is issued. 35

“(5) In the case of a motor vehicle to which paragraph (c) of subsection (1) of this section applies, the levy shall be payable by the owner of the vehicle to any Deputy Registrar of Motor Vehicles in respect of each licensing year (being a licensing year commencing on or after the 1st day of July 1973) in the course of which the vehicle is in New Zealand 40

and is, as mentioned in paragraph (a) of section 93 of this Act, exempt from registration and licensing, and shall be paid forthwith upon the arrival of the vehicle in New Zealand or before the commencement of each such licensing year as the case may be.”

4. Rates of levies on motor vehicles—Section 99 of the principal Act is hereby amended by adding the following subsections:

“(6) Where, in the case of a motor vehicle to which section 93 of this Act applies, that vehicle has been or is about to be removed from New Zealand, and the Commission, on application in writing made to it by the owner of the vehicle, is satisfied, upon such evidence as it requires, that the vehicle has been or is about to be permanently removed from New Zealand and of the date of the removal or intended removal, the Commission shall refund to the owner a sum equal to one-twelfth part of the amount of the levy in respect of the vehicle prescribed pursuant to this section for every complete month between the date of the removal or intended removal (as established to the satisfaction of the Commission) and the end of the licensing year in respect of which the levy is paid.

“(7) Where—

“(a) In the course of a licensing year a motor vehicle is used for a purpose different from that indicated by the annual licence issued in respect of the vehicle; or

“(b) A motor vehicle to which section 93 of this Act applies is destroyed or becomes permanently useless as a motor vehicle while in New Zealand,—the Commission may make such adjustments or refunds in respect of levy as appear to it to be appropriate.”

5. Transitional provisions in respect of levies on motor vehicles—(1) In this section—

“Transitional licensing year” means the licensing year (as defined in section 6 of the Transport Act 1962) commencing on the 1st day of July 1973:

“Levy” means a levy payable pursuant to section 98 of the principal Act.

(2) Nothing in subsections (3), (4), and (6) of section 99 of the principal Act shall apply to any levy payable in respect of the transitional licensing year.

(3) In any case where a levy in respect of the transitional licensing year becomes payable on or after the 1st day of May 1974, the levy as prescribed pursuant to section 99 of the principal Act shall be reduced by one-third thereof for every complete month during the period commencing on the 1st day of April 1974 and ending with the 30th day of June 1974 which has elapsed before the levy becomes payable.

(4) In any case where a levy is payable in respect of the transitional licensing year and the registration of the motor vehicle in respect of which the levy is payable is cancelled pursuant to section 19 of the Transport Act 1962, the Commission shall, on application in writing made to it by the owner of the vehicle and on being satisfied that the registration of the motor vehicle has been cancelled as aforesaid, refund to the owner a sum equal to one-third part of the amount of the levy as prescribed pursuant to section 99 of the principal Act in respect of the vehicle for every complete month of the period of 3 months, commencing on the 1st day of April 1974, which falls between the date on which the application was received by the Commission and the end of the transitional licensing year.

(5) Where, in the case of a motor vehicle to which section 93 of this Act applies, a levy has been paid in respect of the transitional licensing year, if that vehicle has been or is about to be removed from New Zealand, and the Commission, on application in writing made to it by the owner of the vehicle, is satisfied, upon such evidence as it requires, that the vehicle has been or is about to be permanently removed from New Zealand and of the date of the removal or intended removal, the Commission shall refund to the owner a sum equal to one-third part of the amount of the levy as prescribed pursuant to section 99 of the principal Act in respect of the vehicle for every complete month of the period of 3 months, commencing on the 1st day of April 1974, which falls between the date of the removal or intended removal (as so established) and the end of the transitional licensing year.