

Rt. Hon. R. J. Seddon.

GOVERNMENT LOANS TO LOCAL BODIES ACT  
AMENDMENT.

ANALYSIS.

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A BILL INTITULED

AN ACT to amend "The Government Loans to Local Bodies Act, 1886." Title.

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

1. The Short Title of this Act is "The Government Loans to Local Bodies Act Amendment Act, 1899," and it shall form part of and be read together with "The Government Loans to Local Bodies  
10 Act, 1886" (hereinafter called "the principal Act"). Short Title.

2. Notwithstanding anything to the contrary contained in the principal Act, or in any general, special, or local Act authorising a local authority to raise money by way of loan for the purposes of a public work, it is hereby declared that in every case where  
15 under any such Act provision is made for submitting the proposal for the loan to the votes of the ratepayers of the district, or of any part or subdivision of the district, of the local authority, then for the purpose of raising the loan under the principal Act such proposal shall be deemed to be carried if at the poll taken on such  
20 proposal the number of valid votes recorded in favour of the proposal exceeds the number of valid votes recorded against the same, each ratepayer having one vote and no more. When proposal to raise loan deemed carried.

3. For the purposes of such poll, so much of any such Act as requires that the roll shall specify the number of votes to which  
25 each ratepayer is entitled shall be deemed not to apply. Provisions as to number of votes exercisable modified.

4. In order to more equitably adjust the liability of the local authority in the case of any future loan, section twelve of the  
No. 115—1. Rate of interest, and optional terms during which same payable.

principal Act is hereby modified by providing with respect to the therein-mentioned debentures that, in lieu of five per centum per annum for a term of twenty-six years, the yearly rate of interest and the term of years during which the interest is payable by the local authority shall, at the option of the local authority, be—

- (1.) Four and a half per centum per annum for a term of thirty years; or
- (2.) Four per centum per annum for a term of thirty-five years; or
- (3.) Three and a half per centum per annum for a term of forty-four years.

Exercise of option, and commencement of term.

5. (1.) Such option shall be exercised by the local authority in its application for the loan.

(2.) Such term shall in the case of each debenture be deemed to commence on the first day of February in the year in which, under the aforesaid section twelve, the debenture is made and issued:

Provided that the provisions of Part II. of the principal Act (relating to the inscription of the debts of local authorities) shall apply to every such debenture.

Existing loans may be readjusted.

6. The provisions of section *four* hereof may be applied to any now-existing loan, in the manner and subject to the conditions following, that is to say,—

- (1.) With the approval of the ratepayers (to be signified by poll or consent in the same manner, *mutatis mutandis*, as in the case of a proposal to raise a loan), the local authority may, at any time, by resolution readjust the loan under such one of subsections *one* to *three* of section *four* hereof as is specified in that behalf in the resolution.
- (2.) The readjustment shall take effect on the first day of February next following the date on which the resolution is passed.
- (3.) Forthwith upon the taking effect of the readjustment, the original liability of the local authority in respect of interest accruing thereafter shall be deemed to be readjusted by substituting therefor a liability to pay interest at the reduced yearly rate and for the unexpired residue of the extended term set forth in the subsection specified in that behalf in the resolution.
- (4.) Such extended term shall be deemed to have commenced at the date of the commencement of the original term.

Reduction as to amount payable to Sinking Fund Account.

7. The rate of one pound ten shillings per centum per annum, which, under subsection one of section five of "The Government Loans to Local Bodies Act Amendment Act, 1892," forms the basis for calculating the amount to be paid to the Sinking Fund Account by the Treasurer, is hereby reduced to—

- (1.) One pound per centum per annum on debentures issued by him equal in amount to the amount of any future loan in respect whereof interest is payable by the local authority for a term of thirty-five years; and to
- (2.) Ten shillings per centum per annum on debentures issued by him equal in amount to the amount of any future

loan in respect whereof interest is payable by the local authority for a term of forty-four years.

8. The minimum amount of any loan granted or agreed to be granted under the principal Act, whether on original application or on further application, shall in no case be less than fifty pounds.

No loan to be less than £50.

9. The provisions of section six of "The Government Loans to Local Bodies Act Amendment Act, 1891" (relating to the accounts and funds from which the Governor may, by Order in Council, empower the Treasurer to borrow money for the purposes of granting loans), are hereby extended to include the New Zealand Consols Account.

Treasurer may borrow from New Zealand Consols Account.

10. (1.) The liability to be rated, which by section six of "The Government Loans to Local Bodies Act Amendment Act, 1896," is imposed on all such property within any special rating district as, although not rateable property when the special rate is first struck, becomes rateable property at any time thereafter during the currency of the loan, is hereby extended to the case of loans current at the commencement of that Act (to wit, the twelfth day of October, one thousand eight hundred and ninety-six):

Further provision as to property becoming rateable after special rate struck.

20 Provided that in no case shall the ratepayer be liable under this subsection for rates for any period prior to the commencement of this Act.

25 (2.) The expression "special rating district" means, in the case of each special rate, the area (whether comprising the whole of the district of the local authority or any specified part thereof) within which all the rateable property on which the special rate is or may be struck is situate.

30 (3.) The provisions of sections twenty-nine and thirty of "The Local Bodies' Loans Act, 1886," relating to the amendment of the special rate by increasing or, with the approval of the Controller and Auditor-General, diminishing the same, are hereby extended to cases where the amendment is necessary or expedient by reason of the decrease or increase in the number or value of the rateable properties liable for the rate.