

*Dr the Honourable I. J. Shearer*

## HAMILTON DOMAIN ENDOWMENT AMENDMENT

[LOCAL]

### ANALYSIS

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### A BILL INTITULED

#### **An Act to amend the Hamilton Domain Endowment Act 1979**

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

1. **Short Title**—This Act may be cited as the Hamilton Domain Endowment Amendment Act 1981, and shall be read together with and deemed part of the Hamilton Domain Endowment Act 1979 (hereinafter referred to as the principal Act).

2. **Interpretation**—Section 2 of the principal Act is hereby amended by inserting, in their appropriate alphabetical order, the following definitions:

“ ‘Approved guarantor’ means any person, body, society, or corporation acceptable to the Council in its own discretion as a guarantor of the obligations of a mortgagor under a second mortgage of a fee simple estate:

No. 3—1

*Price 30c*

“‘Community organisation’ means any person, body, society, or corporation or the trustee for any body, society, or corporation, the activities of which are carried on principally for purposes other than for profit, such activities being in the opinion of the Council in its own discretion beneficial to the community or a section of it:”.

**3. Sale upon terms**—Section 5 of the principal Act is hereby amended by repealing subsections (4) to (6), and substituting the following subsections:

“(4) In subsection (2) of this section the terms “improvements” and “land value” shall have the same meanings as those contained in section 2 of the Valuation of Land Act 1951 save that in determining land value no reduction shall be made as a result of the existence at the time of sale and transfer of the lease to the purchaser.

“(5) Where the fee simple estate in the land is sold to the lessee under the provisions of this section, the Council at its own discretion may accept in lieu of a total cash payment a registerable mortgage of the said estate securing to the Council not more than 90 percent of the total amount payable by the lessee under subsection (2) of this section, but excluding therefrom the sums referred to in subsection (2) (b) of this section (such amount secured being hereinafter referred to as the principal sum):

“Provided that in the case of a sale to a community organisation—

“(a) The Council at its own discretion may accept as security for the principal sum either a registerable first mortgage of the said estate or alternatively a registerable second mortgage of the said estate guaranteed by an approved guarantor:

“(b) The principal sum and all other money secured to the Council by the terms of any mortgage accepted by it shall at the option of the Council become due and payable and may forthwith be called up if during the term thereof the use of the said land is changed without the consent of the Council given in its capacity as mortgagee:

“(c) Any mortgage accepted by the Council shall otherwise be subject to such terms and conditions as may appear to the Council to be appropriate:

“Provided also that in the case of land that at the time of both the sale and transfer is then zoned by the Council as Residential I under the provisions of the Town and Country Planning Act 1977 and provided also that in the opinion of  
5 the Council (whose decision shall be final) one (but not more than one) self-contained home or residence for the purposes of a single house-keeping unit to be used by the transferee is either then erected upon the said land or is likely to be erected thereon within 2 years after the date of the  
10 completion of the sale—

“(a) The Council at its own discretion may accept as security for the principal sum either a registerable first mortgage of the said estate or alternatively  
15 a registerable second mortgage of the said estate guaranteed by an approved guarantor:

“(b) The principal sum and all other money secured to the Council by the terms of any mortgage accepted by it shall at the option of the Council become due and payable and may forthwith be called  
20 up if—

“(i) Any self-contained home or residence for the purpose of a single house-keeping unit that the mortgagor covenants as a term of the mortgage to have erected upon the mortgaged land is not so  
25 erected within the prescribed time; or

“(ii) During the term thereof more than one self-contained home or residence for the purposes of a single house-keeping unit is erected upon the mortgaged land; or

“(iii) During the term thereof the one self-contained home or residence for the purposes of a single house-keeping unit erected upon the mortgaged land is not occupied as owner by the mortgagor or by the spouse or former spouse of  
30 the mortgagor:

“(c) Any mortgage accepted by the Council shall otherwise be subject to such terms and conditions as may appear to the Council to be appropriate:

“Provided further that all other sales under the provisions  
40 of this section shall be wholly for cash or, at the discretion of the Council, with the principal sum secured to the Council by a registerable first mortgage of the fee simple estate.

“(6) Except as provided in subsection (5) of this section, any mortgage accepted by the Council shall be subject to such terms and conditions as may appear to the Council to be appropriate:

“Provided that the rate of interest payable— 5

“(a) By any mortgagor (other than a community organisation) of land zoned by the Council as Residential II or as Residential III under the provisions of the Town and Country Planning Act 1977 shall be not more than 0.5 percent per annum more than if 10 the said land—

“(i) Had been zoned as Residential I; and

“(ii) The provisions of the second proviso to subsection (5) of this section had been applicable:

“(b) By any mortgagor that is a community organisation 15 shall in any event be the same rate as that being charged by the Council at that time to a mortgagor—

“(i) Of land zoned by the Council as Residential I under the provisions of the Town and Country 20 Planning Act 1977; and

“(ii) Who falls within the provisions of the second proviso to subsection (5) of this section.”

**4. Additions to Schedules**—(1) Part I of the Second Schedule to the principal Act is hereby amended by inserting, 25 after clause 72, the following clauses:

“72A. 0.4077 hectares, more or less, being Lots 1, 2, and 3, D.P. 3371. Certificate of title 13D/428.

“72B. 1543 square metres, more or less, being Lot 1, D.P. 30 30427. Certificate of title 408/11.”

(2) The Third Schedule to the principal Act is hereby amended by inserting, after clause 76, the following clauses:

“77. 1573 square metres, more or less, being Lot 1, D.P. 20961. Certificate of title 474/155.

“78. 0.4046 hectares, more or less, being Lots 1, 2, and 3 35 of Allotment 303, Town of Hamilton East. Certificate of title 379/262.

“79. 1401 square metres, more or less, being Lots 7 and 8, D.P. 34426. Certificate of title 6D/942.”