

PROPERTY LAW AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill amends section 104 of the Property Law Act 1952, which provides that every purchaser of land subject to a mortgage becomes personally liable to the mortgagee for payment of the mortgage moneys and performance of the covenants in the mortgage, without the necessity of any contract between him and the mortgagee.

The general definition of the term "conveyance" in section 2 of the principal Act includes a lease, with the result that section 104 makes every person who takes a lease of mortgaged property personally liable to the mortgagee.

This was not intended, and the Bill accordingly provides that for the purposes of section 104 the term "conveyance" is not to include a lease.

The amendment is made retrospective to the commencement of the principal Act on 1 January 1953.

Hon. Mr. Webb

PROPERTY LAW AMENDMENT

ANALYSIS

Title.	2. Lessee not to become personally liable to mortgagee.
1. Short Title and commencement.	

A BILL INTITULED

AN ACT to amend the Property Law Act 1952. Title.

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

1. (1) This Act may be cited as the Property Law Amendment Act 1953, and shall be read together with
and deemed part of the Property Law Act 1952 (hereinafter referred to as the principal Act). Short Title and commencement. 1952, No. 51

10 (2) This Act shall be deemed to have come into force on the first day of January, nineteen hundred and fifty-three (being the date of the commencement of the principal Act).

15 2. Section one hundred and four of the principal Act is hereby amended by adding the following subsection:—
“(5) For the purposes of this section the term ‘conveyance’ does not include a lease.” Lessee not to become personally liable to mortgagee.

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