

[AS REPORTED FROM THE LOCAL BILLS COMMITTEE]

*House of Representatives, 12 October 1955*

Words struck out by the Local Bills Committee are shown in italics within bold brackets; words inserted are shown in black.

[AS REPORTED FROM THE COMMITTEE OF THE WHOLE]

*House of Representatives, 13 October 1955*

Words added by the Committee of the Whole are shown in roman with rule down side.

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## PALMERSTON NORTH INSURANCE FUNDS

[LOCAL BILL]

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### A BILL INTITULED

AN ACT to empower the Palmerston North City Council to utilize temporarily the money in its fire insurance and accident funds for the acquisition of land within the City of Palmerston North and for the development of such land and other lands of the Corporation for residential and certain commercial purposes.

Title.

WHEREAS the Palmerston North City Council, as a local authority acting under its statutory powers, has accumulated substantial fire insurance funds and accident insurance funds in manner provided by sections one hundred and twenty-eight and one hundred and twenty-nine of the Municipal Corporations Act 1954 (such funds being now invested in the Common Fund of the Public Trust Office): And whereas the said Council no longer acts as its own insurer but insures against loss by fire and accident with insurance companies: And whereas the said Council wishes to use temporarily the said accumulated funds for the acquisition of land in the City of Palmerston North and for the development for residential

Preamble.

2 *Palmerston North Insurance Funds*

and certain commercial purposes of such lands and other lands vested in the Corporation, and for the erection on any of such lands of houses and flats for sale or letting:

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

Short Title.

1. This Act may be cited as the Palmerston North Insurance Funds Act 1955.

Interpretation.

2. In this Act, unless the context otherwise requires,—

“Corporation” means the body corporate consisting of the Mayor, Councillors, and Citizens of the City of Palmerston North: 10

“City” means the City of Palmerston North:

“Council” means the Palmerston North City Council: 15

“The said funds” means the fire insurance fund and the accident fund established by the Council under sections one hundred and twenty-eight and one hundred and twenty-nine of the Municipal Corporations Act 1954 and the money in such funds and the investments representing the same, and includes any money repaid to such funds, and interest thereon, as hereinafter in this Act provided: 20

“Commercial purposes” means and is limited to the provision of shopping centres for residential areas in manner provided by the Council’s Town Planning Scheme. 25

Power to expend insurance funds in acquisition and development of land.

3. (1) The Council may expend the whole or any part of the said funds for all or any of the following purposes, namely: 30

(a) The acquisition of land in the city for housing and for commercial purposes as hereinbefore defined:

(b) The subdivision *[subject to the provisions of subsection two of this section,]* and development for housing and for the said commercial purposes of any land so acquired and of any other land for the time being vested in the Corporation and not held on trust for any particular purpose other than housing: 35 40

(c) The erection on any such land as aforesaid of houses and flats for sale or letting, or the conversion of buildings into houses or flats, pursuant to section three hundred and twenty-nine of the 45

Municipal Corporations Act 1954, and the exercise of any of the powers conferred by that section.

5 (2) For the purposes of paragraphs (a) and (b) of subsection one of this section the provisions of sections three hundred and twenty-seven and three hundred and twenty-eight of the Municipal Corporations Act 1954 shall extend and apply as if references to housing purposes or residential purposes therein included references to commercial purposes as hereinbefore defined.

10 4. (1) Without limiting the powers of the Council under Part XIII or sections three hundred and thirty to three hundred and thirty-five of the Municipal Corporations Act 1954 (which relate to the sale or leasing of land and houses), the Council may, in respect of any land acquired, subdivided, or developed under section three of this Act,—

Power to sell or lease land for commercial purposes.

15 (a) Sell any allotment upon such terms as in its absolute discretion it thinks proper to any person desirous of building thereon for the said commercial purposes:

20 (b) Lease to any person for the said commercial purposes any allotment on which no buildings are erected.

25 (2) The provisions of [sections three hundred and thirty-one to three hundred and thirty-five] section three hundred and thirty-one and sections three hundred and thirty-three to three hundred and thirty-five of the Municipal Corporations Act 1954 shall extend and apply 30 for the purposes of this section as if references therein to houses included references to commercial buildings to be used for the commercial purposes hereinbefore defined:

35 Provided that the Council shall not lease any allotment for the said commercial purposes except in accordance with section one hundred and fifty-three or section one hundred and fifty-five of that Act.

40 5. After payment thereof of all sums incurred for repair and maintenance and upkeep of such lands and buildings and other incidental expenses connected therewith, including a payment to cover administrative charges (not exceeding five per cent per annum of the total cost of the lands, buildings, development, survey fees, and provision of services) the Council may apply the net rents and interest derived from the said lands and from all 45 such lands, buildings, and unpaid purchase money firstly in or towards payment of all or any insurance premiums

Application of income.

from time to time payable to any insurance company or companies in respect of any risks of fire, earthquake, tempest, flood, or accident lawfully insured by the Council with such company or companies. Any surplus of rents and interest then remaining shall be applied as provided in section *seven* of this Act. 5

Proceeds of sale.

6. The net proceeds of sale of any of such lands or buildings shall be applied as provided in section *seven* of this Act.

Surplus proceeds.

7. (1) All the said surplus of rents and interest and the proceeds of sale referred to in sections *five* and *six* of this Act shall be applied by the Council as follows: 10

(a) Firstly, in repayment to the said funds, until there shall have been paid thereto all money which in pursuance of this Act has been expended by the Council therefrom together with interest at the rate of three pounds ten shillings per cent per annum on all such money for the time being remaining unpaid to the said funds as from the respective dates of expenditure thereof: 15 20

(b) Secondly, in payment of any final surplus of rents, interest, and proceeds of sale then remaining into a separate account, to be applied for the purposes set out in this Act.

(2) Nothing in section twenty of the Finance Act 1934 shall apply with respect to any money to which this section applies. 25

Allotment of repayments.

8. Repayments of rents, interest, and purchase money into the said funds as hereinbefore provided shall be allotted to the fire insurance fund and to the accident fund in proportion to the respective amounts withdrawn from such funds. 30

#### *New*

Temporary power to pay insurance premiums out of interest from investment of insurance funds.

9. If in any financial year no income is available, under section *five* of this Act, for the payment of the insurance premiums referred to in that section, or the income available under that section is not sufficient for the payment in full of those premiums, the Council may pay those premiums, or such sum as may be necessary to ensure the payment in full of those premiums, out of the interest derived from any investments for the time being representing the said funds: 35 40

Provided that the total amount paid by the Council pursuant to this section in any financial year shall not exceed the total amount of the interest derived during that year from the said investments. 45