

This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.

House of Representatives,

16th October, 1941.

Hon. Mr. Nash

FINANCE (No. 2)

ANALYSIS

| Title. | |
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| 1. Short Title. | 8. Provision in respect of age-benefits for adjustment of anomalies due to receipt of income subject to social security charge or national security tax. |
| 2. Proceeds of State Advances Corporation stock held by Minister of Finance to be applied in repayment of public debt. | 9. Bank of New Zealand may adjust dividends payable to preference shareholders in relation to social security charge and national security tax. |
| 3. Disqualification provisions as to members of General Assembly not applicable in certain cases. | 10. Cost-of-living allowances to be taken into account in fixing maximum remuneration of retired public servants and teachers who are temporarily re-employed. |
| 4. Validating appointment of Walter Black, Esquire, to be a member of the Legislative Council. | 11. Portion of amounts in respect of which default is made under 1953 War Loan Subscription Notice to be recoverable as income-tax. |
| 5. Authorizing Naval Board to assist recognized Sea Cadet Corps. | |
| 6. Authorizing local authorities to make grants to employees on their retirement. | |
| 7. Reducing amount and varying terms of payment of cost of certain river works payable by Waitemata County Council. Repeal. | |

A BILL INTITULED

AN ACT to make Provision with respect to Public Title.
Finance and other Matters.

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

1. This Act may be cited as the Finance Act (No. 2), Short Title. 1941.

Proceeds of State Advances Corporation stock held by Minister of Finance to be applied in repayment of public debt. 1934-35, No. 42

Disqualification provisions as to members of General Assembly not applicable in certain cases.

See Reprint of Statutes, Vol. VI, pp. 446, 469

Validating appointment of Walter Black, Esquire, to be a member of the Legislative Council.

Ibid., p. 446

2. All moneys received by the Minister of Finance in redemption or repayment of any stock of the State Advances Corporation issued to the Minister under section thirty-eight of the State Advances Corporation Act, 1934-35, or from the sale by the Minister of any such stock shall be paid into the Public Account to the credit of the Loans Redemption Account and shall be applied in or towards the repayment of such securities charged upon the public revenues of New Zealand as the Minister may determine. 5
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3. The provisions of the Legislature Act, 1908, or of the Electoral Act, 1927, or of any other Act, as to the disqualification of members of the General Assembly or of candidates for election as members of Parliament shall not apply with respect to— 15

(a) Any payment that has been received out of public moneys by the Honourable William Perry, member of the Legislative Council, in respect of his services as a member of the Commission of Inquiry appointed on the thirtieth day of January, nineteen hundred and forty-one, to inquire into and report upon the circumstances surrounding the loss of shipping by enemy action: 20

(b) Any payment that has been or may hereafter be received out of public moneys by the Honourable Richard Eddy, member of the Legislative Council, in respect of his attendance at the conference of the International Labour Office at New York: 25
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(c) Any payment that has been or may hereafter be received out of public moneys by any member of Parliament by way of travelling-allowance in respect of his services as a member of the Council of Primary Production. 35

4. Whereas by an instrument of appointment dated the eighth day of September, nineteen hundred and forty-one, His Excellency the Governor-General, purporting to act under the authority of the Legislature Act, 1908, summoned Walter Black, Esquire, of Nelson, to the Legislative Council, to be a member thereof: And whereas on the said date the said Walter Black was disqualified from being so summoned, inasmuch as he 40

was then a Civil servant within the meaning of section two of the Legislature Act, 1908: And whereas it is desired to validate the said appointment: Be it therefore enacted as follows:—

- 5 The appointment of Walter Black, Esquire, to be a member of the Legislative Council of New Zealand as hereinbefore recited is hereby validated, and the said Walter Black shall accordingly be deemed to have been duly summoned to the Legislative Council, to be
10 a member thereof, on the eighth day of September, nineteen hundred and forty-one.

5. The Naval Board of New Zealand may from time to time, upon or subject to such conditions as it thinks fit, assist units or controlling bodies of Sea Cadets
15 officially recognized for the time being by the Naval Board by providing stores and equipment by way of grant or loan or purchase.

Authorizing
Naval Board
to assist
recognized
Sea Cadet
Corps.

6. (1) For the purposes of this section the term “local authority” means a Borough Council, County
20 Council, Town Board, Road Board, Harbour Board, Fire Board, Hospital Board, or Tramway Board, or any body possessing rating powers over any district.

Authorizing
local authorities
to make grants
to employees
on their
retirement.

- (2) On the retirement from the service of any local authority of any employee whose total length of service
25 with the local authority has been not less than ten years the local authority may pay to him by way of gratuity an amount not exceeding an amount equal to six months’ pay at the rate payable to him at the time of his retirement.

- (3) For the purposes of this section service with a local authority shall be deemed to include service with any other local authority being the predecessor of the first-mentioned local authority; and a local authority shall be deemed to be the predecessor of another local
35 authority in any case where, on its dissolution or in any other circumstances, its functions or any of its functions have been transferred to such other local authority.

- (4) The power conferred by this section shall be
40 deemed to include power to make a payment as aforesaid to any such employee who has retired before the passing of this Act, but not earlier than the first day of January, nineteen hundred and thirty-eight.

Reducing
amount and
varying terms
of payment
of cost of
certain river
works payable
by Waitemata
County Council,
1935, No. 33
1932-33, No. 47

7. Whereas by section thirty-four of the Local
Legislation Act, 1935, provision is made for the payment
by the Kaipara River Board (hereinafter referred to as
the Board) to the Minister of Public Works (herein-
after referred to as the Minister) of the sum of one 5
thousand four hundred pounds originally payable under
section fifty-five of the Local Legislation Act, 1932-33,
towards the cost of certain river improvement,
protection, and drainage works in the Kaipara River
District, and deemed by the said section thirty-four to 10
be a loan from the Minister to the Board: And whereas
the Board was abolished by Proclamation dated the fifth
day of August, nineteen hundred and forty, and the
Waitemata County Council (hereinafter referred to as
the Council) is now liable for the said loan: And 15
whereas interest amounting in the aggregate to the sum
of four hundred and thirty-four pounds has been paid
to the Minister by the Board and the Council: And
whereas the Minister has agreed with the Council to 20
reduce the amount of the said loan and to vary the
manner of payment as hereinafter provided: Be it
therefore enacted as follows:—

(1) The amount of the loan is hereby reduced to
seven hundred pounds (hereinafter referred to as the
principal sum). 25

(2) Subject to the provisions of subsection *four* of
this section, the Council shall pay to the Minister
interest on the principal sum, or on so much thereof
as is from time to time unpaid, at the rate of five
per centum per annum, reducible to four per centum 30
per annum if paid on or before the due date, computed
from the first day of October, nineteen hundred and
forty-one, with annual rests on each due date, and
payable by annual payments due respectively on the
first day of October, nineteen hundred and forty-two, 35
and on the corresponding day in each year thereafter
until the principal sum is paid.

(3) The Council may at any time repay the principal
sum or any part thereof.

(4) If the payments made by the Council to the 40
Minister in reduction of the principal sum on or before
the first day of October, nineteen hundred and forty-five,
amount in the aggregate to the sum of two hundred
and sixty-six pounds (being the difference between the

principal sum and the interest heretofore paid as aforesaid) and if interest in accordance with subsection *two* of this section is paid up to the date of the last of such payments of principal, the said sum of two hundred
 5 and sixty-six pounds shall be accepted by the Minister in full satisfaction of the loan, and the Council shall be under no liability to make any further payments of principal or interest to the Minister.

(5) Subject to the foregoing provisions of this
 10 section, the principal sum shall be repayable on the first day of October, nineteen hundred and forty-five.

(6) Section thirty-four of the Local Legislation Act, 1935, is hereby repealed. Repeal.

8. (1) This section shall be read together with the
 15 Social Security Act, 1938 (hereinafter in this section referred to as the principal Act), and shall be deemed to form part of Part II of that Act.

Provision in respect of age-benefits for adjustment of anomalies due to receipt of income subject to social security charge or national security tax. 1938, No. 7

(2) Where in considering an application for an age-benefit or the renewal of an age-benefit under the
 20 principal Act it appears to the Commission that the applicant or any other person whose income is required to be taken into account for the purposes of the application has paid or is or will be liable to pay
 25 social security charge or national security tax on the whole or on any part of his or her income for any period, the Commission, in computing the income of that person for that period, may, to such extent as may be necessary for the adjustment of any anomaly, disregard the whole or any portion of the amount so
 30 paid or payable as social security charge or national security tax.

(3) This section shall apply only with respect to age-benefits that are granted or renewed on or after
 35 the first day of November, nineteen hundred and forty-one.

9. (1) Notwithstanding anything to the contrary in the Bank of New Zealand Act, 1926, or in any other enactment, subsection one of section twenty-one of the Social Security Amendment Act, 1939, shall apply with
 40 respect to dividends payable by the Bank of New Zealand in respect of its preference A shares, C long-term mortgage shares, or D long-term mortgage shares.

Bank of New Zealand may adjust dividends payable to preference shareholders in relation to social security charge and national security tax. 1926, No. 55 1939, No. 31

(2) This section shall bind the Crown.

(3) This section shall be deemed to have come into force on the first day of October, nineteen hundred and forty-one.

Cost-of-living allowances to be taken into account in fixing maximum remuneration of retired public servants and teachers who are temporarily re-employed.
Sec Reprint of Statutes, Vol. VII, p. 559

10. (1) For the purpose of computing the amount of the retiring-allowance under Part I or Part IV of the Public Service Superannuation Act, 1927, that may be paid in respect of any month to any contributor to whom subsection two of section thirty-three or subsection two of section seventy-eight of that Act for the time being applies, the annual salary on the basis of which he was contributing to the Public Service Superannuation Fund or to the Teachers' Superannuation Fund at the date of his retirement shall be deemed to be increased by the annual amount of any cost-of-living allowance to which he would for the time being be entitled if he had not retired and had continued to receive that annual salary.

(2) If any question arises as to whether any payment is a cost-of-living allowance for the purposes of this section it shall be determined by the Minister of Finance, and his decision shall be final.

(3) This section shall be deemed to have come into force on the first day of October, nineteen hundred and forty-one.

Portion of amounts in respect of which default is made under 1953 War Loan Subscription Notice to be recoverable as income-tax.
Gazette, 18th October, 1940, p. 2697; 10th December, 1940, p. 3677
Serial Nos. 1940/118, 1940/250, 1940/304

11. (1) If on the first day of November, nineteen hundred and forty-one, any person has failed to subscribe to the New Zealand Government War Loan, 1953, the minimum amount that he is required to subscribe thereto by the 1953 War Loan Subscription Notice, as amended by the 1953 War Loan Subscription Notice, Amendment No. 1, and as affected by any appeal by that person under regulation fourteen of the Finance Emergency Regulations 1940 (No. 2), an amount equal to twenty-five per centum of that minimum amount or of so much thereof as he has failed to subscribe shall be deemed to be a debt due by that person to the Crown, and shall be recoverable in the same manner in all respects as if it were income-tax duly assessed in and for the year of assessment that commenced on the first day of April, nineteen hundred and forty-one.

(2) Payment of the whole of the amount due by any person under this section shall relieve him from his obligation to subscribe to the said loan.

(3) The production of a certificate purporting to be signed by or on behalf of the Commissioner of Taxes as to the amount that is due by any person under this section shall, in the absence of proof to the contrary, 5 be conclusive evidence of the facts stated therein, and all Courts shall in all proceedings take judicial notice of the signature to any such certificate.

(4) All moneys recovered under this section shall, without further authority than this section, be credited 10 to the War Expenses Account.