

LOCAL AUTHORITIES (PETROLEUM TAX) BILL

EXPLANATORY NOTE

This Bill empowers territorial local authorities, grouped together on an area basis, to levy a tax on certain petroleum products (namely, motor spirits, diesel fuel, and other fuel oil, with certain exceptions) delivered into their areas. The tax will be payable by wholesale distributors and collected by the convening local authority of the area, and will be at one of the 3 scales in the *First* Schedule.

Areas are set out in the *Second* Schedule; but under *clause 6* the Auckland Regional District is a separate area.

Clause 1 relates to the Short Title.

Clause 2 is the interpretation clause. The important definition is that of "petroleum". This means motor spirits, diesel fuel, and other fuel oil; but it does not include petroleum supplied for use in the generation of electricity or the manufacture of gas for public use at any electric-power station or gas works, or aviation fuel, or kerosene.

Clause 3: Under *subclause (1)*, the tax will be payable on petroleum purchased by the Crown, unless the Governor-General in Council otherwise determines.

Subclause (2) excludes the Chatham Islands from the new Act.

PART I

LOCAL AUTHORITIES PETROLEUM TAX

Clause 4 provides that there may be levied, on behalf of the constituent local authorities of any tax area, a tax, to be called the local authorities petroleum tax, on all petroleum delivered by wholesale distributors within the area, or used by them within the area. The tax is to be at one of the scales set out in the *First* Schedule, and at the rate specified for each class of petroleum in that scale.

No tax is to be levied or payable on petroleum sold or disposed of by one distributor to another, or exported by a distributor and loaded on the exporting ship or aircraft.

Clause 5 prescribes tax areas for the purposes of the Act, those areas being described in the *Second* Schedule. The areas or their boundaries and names, and the convening local authority of any area for the purposes of the new Act, may be altered by Order in Council.

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Clause 6 constitutes the Auckland Regional District as a separate area for the purposes of the new Act. The Auckland Regional Authority will be the convening local authority of its area for the purposes of the new Act.

Clause 7: The decision to levy the tax in any area is to be made at a meeting of representatives of all constituent local authorities of the area. At that meeting each local authority will have 1 representative and 1 vote; but if the population of its district is 7,500 or more it will have 1 additional vote.

If at the meeting it is decided not to levy the tax, further meetings may be held, at intervals of not less than 12 months, for the purpose of determining whether to levy a tax.

Clause 8: A determination to levy the tax takes effect at a date to be specified, being not earlier than 6 weeks after the determination.

Clause 9: The scale of the tax may be altered at intervals of not less than 12 months.

Clause 10: The Clerk of the convening local authority is to give public notice, notice to every wholesale distributor, and notice to the Secretary of Industries and Commerce, of the imposition of the tax, the date on which it becomes effective, and the area to which it applies.

Clause 11: When a decision is made to levy the tax, an administering committee of not more than 8 members is to be appointed (except in the Auckland tax area) by the constituent local authorities. The basis of representation on the administering committee is set out in the *Second Schedule*. All members of the committee must be members of constituent local authorities.

Clause 12: The representation of constituent local authorities on the administering committee may be altered by Order in Council on the recommendation, to the Minister of Internal Affairs, of the local authorities or, in the case of disagreement among them, on the recommendation of a special committee.

Clause 13 deals with the filling of vacancies on the administering committee.

Clause 14 provides for a Chairman and a Deputy Chairman to be appointed by the committee from among its members.

Clause 15 deals with the meetings and procedure of administering committees.

Clause 16 requires minutes of the proceedings of an administering committee to be kept.

Clause 17: The convening local authority of the area is to provide the necessary administrative, secretarial, and accounting services for the administering committee.

Clause 18: The function of the committee is to determine the distribution of the proceeds of the tax.

Clause 19: The proceeds of the tax are to be applied, as determined by the administering committee, firstly towards such projects for the benefit of the region comprised in the tax area as are unanimously approved by the committee; and secondly, if there is no such approval or the proceeds of the tax exceed the cost of approved projects, by distributing them among the constituent local authorities in the proportion which their rate revenue for the preceding financial year bears to the total rate revenue of all of them for that financial year.

In the case of the Auckland area, the application of the proceeds of the tax in the above-mentioned manner is to be determined at a meeting of representatives of all constituent local authorities (including the Auckland Regional Authority).

PART II

COLLECTION OF TAX

The provisions of this Part are adapted partly from the relevant sections of the Motor Spirits Duty Act 1961.

Clause 20 provides that every wholesale distributor is to send to the Clerk of the convening local authority of any area in which the tax is in force a monthly return of the quantity of each class of petroleum delivered within the area or used by him within the area, the amount of tax payable on each such quantity, and such other particulars as may be prescribed.

Clause 21: The Clerk may accept the returns as sufficient proof, and assess the tax accordingly. The Audit Office may however inspect and examine the records of wholesale distributors relating to sales and deliveries of petroleum, and may require the Clerk to make an assessment or amended assessment.

Clause 22: The Clerk's assessment is taken to be correct unless on appeal or in Court proceedings it is proved that a different amount is payable.

Clause 23: The wholesale distributor may appeal to a Magistrate's Court against the Clerk's assessment.

Clause 24: The tax becomes a debt payable to the convening local authority on the delivery of the monthly return, or on the expiry of the prescribed time if no return is made.

Clause 25: An additional tax of 10 percent of the amount of any tax unpaid, after the prescribed time, is to be added; but this may be remitted by the administering committee.

Clause 26 authorises the Clerk of the convening local authority to require persons owing money to a wholesale distributor to pay the Clerk any sum sufficient to meet the tax due and payable by the wholesale distributor.

PART III

APPLICATION OF PROCEEDS OF TAX

Clause 27: All tax received by the convening local authority is to be paid into its bank to the credit of a separate account to be called "The [Name of tax area] Local Authorities Petroleum Tax Account".

Clause 28: Accounts relating to the tax are to be kept in accordance with the directions of the Audit Office.

Clause 29: The convening local authority may transfer to its general account from the separate account such sums as are approved by the administering committee to defray the costs of administrative, secretarial, and accounting services.

Clause 30: A shipowner or charterer may obtain a refund of tax paid on petroleum used in a ship, other than a coastal ship.

Clause 31: The money in the separate account is to be applied in giving effect to the determinations and directions of the administering committee.

PART IV

MISCELLANEOUS PROVISIONS

Clause 32: Sections 6 to 8 of the Local Authorities (Members' Interests) Act 1968 (which require that a member of a local authority is not to vote on or take part in the discussion of a matter in which he has a pecuniary interest) will apply to meetings of the administering committee and to meetings of representatives of constituent local authorities under the new Act.

Clause 33: The Public Bodies Meetings Act 1962 will also apply to such meetings.

Clause 34 amends the Motor Spirits (Regulation of Prices) Act 1933 by inserting a new section 5A, the effect of which is that any local authority petroleum tax in force in any area in respect of motor spirits is to be added to the prices of motor spirits in force in that area.

Clause 35 applies section 159 of the Customs Act 1966 (as to the effect of alterations in duties on existing agreements of sale) for the purposes of the new Act. The effect is that the new tax or any alteration in it may be added to the agreed price, or a reduced tax deducted from the agreed price, unless express provision is made in the agreement to the contrary.

Clause 36 provides for the making of regulations.

The *First* Schedule sets out the alternative scales of the tax.

The *Second* Schedule sets out the names of the tax areas (other than the Auckland area, as to which see *clause 6*), the constituent districts, the convening local authorities of the areas, and the number of representatives of constituent or combined districts on administering committees.

The *Third* Schedule sets out the form of public notice required to be given by the Clerk of the convening local authority when a tax is imposed or altered.

Hon. Mr Seath

LOCAL AUTHORITIES (PETROLEUM TAX)

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A BILL INTITULED

An Act to empower local authorities to impose a tax on certain petroleum products

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

1. Short Title—This Act may be cited as the Local Authorities (Petroleum Tax) Act 1970.

2. Interpretation—In this Act, unless the context otherwise requires,— 10

“Administering committee”, in relation to any tax area, means an administering committee constituted under this Act:

“Clerk” means the Clerk or other principal executive officer of a local authority: 15

“Constituent district” means a constituent district of any tax area; and includes, in the case of the Auckland tax area constituted under this Act, the Auckland Regional District:

“Constituent local authority” means the local authority of a constituent district: 20

“Convening local authority”, in relation to any tax area, means the local authority of any district whose name is for the time being distinguished by the letter “(C)” in that part of the second column of the Second Schedule to this Act which relates to that tax area: 25

“Local authorities petroleum tax”, or “tax”, means a local authorities petroleum tax levied pursuant to this Act:

“Local authority” means a city council, a borough council, a county council, a county borough council, or the town council of an independent town district; and includes the Auckland Regional Authority and the Tokoroa County Borough Committee: 30

“Petroleum” means— 35

(a) Motor spirits within the meaning of the Motor Spirits Duty Act 1961; and

(b) Diesel fuel, being a refined petroleum distillate with a distillation range normally within the limits of 180° Centigrade and 370° Centigrade, suitable for use as a fuel for high-speed diesel engines or for domestic and industrial heating, and being of such a 40

nature that, when submitted to distillation in standard apparatus, not less than 90 percent by volume distils at 350° Centigrade; and includes any blend of diesel fuel and kerosene; and

5 (c) Other fuel oil, being heavy petroleum distillates, residues from petroleum distillation, or blends of these, suitable for use as a fuel for the production of heat or power—
but does not include—

10 (d) Petroleum supplied for use in the generation of electricity, or the manufacture of gas, for public use at any electric-power station or gas works; or

(e) Aviation fuel, being petroleum supplied for use in aircraft; or

15 (f) Kerosene, being a refined petroleum distillate intermediate in volatility between motor spirits and diesel fuel, with a distillation range normally within the limits of 150° Centigrade and 300° Centigrade, suitable for use in lighting and heating or as a fuel for certain types of combustion engines:

20 “Tax area” means a tax area constituted by or under this Act:

25 “Wholesale distributor” has the same meaning as in the Motor Spirits Duty Act 1961; and also includes a wholesale distributor of any petroleum other than motor spirits.

30 **3. Application of this Act—**(1) Unless the Governor-General by Order in Council determines otherwise, a local authorities petroleum tax in accordance with this Act may be levied and collected, and shall be payable, on any petroleum purchased in New Zealand by the Crown.

(2) This Act shall not apply in the Chatham Islands, or to petroleum sold, or agreed to be sold, or disposed of, for delivery within the Chatham Islands or used there by any
35 wholesale distributor.

PART I

LOCAL AUTHORITIES PETROLEUM TAX

4. Power of local authorities to levy petroleum tax—

40 (1) There may from time to time, on behalf of the constituent local authorities of any tax area, be levied in accordance with this Act a tax, to be called the local authorities petroleum tax, on all petroleum that, on or after the date on which the tax becomes effective, is—

Local Authorities (Petroleum Tax)

- (a) Delivered within the tax area by or on behalf of any wholesale distributor pursuant to any sale, agreement to sell, or disposition made by the wholesale distributor before or after the passing of this Act, irrespective of where the sale, agreement to sell, or disposition was made; or 5
- (b) Used by any wholesale distributor within the tax area.
- (2) Any tax so levied shall be—
- (a) At the rates specified in Scale A or in Scale B or in Scale C in the First Schedule to this Act; and 10
- (b) In respect of each class of petroleum specified in that Schedule, at the rate specified for that class in the scale under which the tax is levied.
- (3) Notwithstanding anything in subsection (1) of this section, no local authorities petroleum tax shall be levied or payable in respect of any transaction whereby— 15
- (a) Any petroleum is sold or agreed to be sold or disposed of by a wholesale distributor to another wholesale distributor; or 20
- (b) Any petroleum is exported by a wholesale distributor, or is sold or agreed to be sold or disposed of by him for exportation, and is loaded upon the exporting ship or aircraft.

5. Tax areas for purposes of tax—(1) Subject to the provisions of this section, the tax areas named in the first column of the Second Schedule to this Act are hereby constituted tax areas for the purposes of this Act. 25

(2) Subject as aforesaid, every such tax area shall consist of the constituent districts specified in the second column of the said Second Schedule opposite the name of the tax area. 30

(3) The Governor-General may from time to time, by Order in Council, as from a date to be specified in the order,—

(a) Abolish any tax area, or any 2 or more tax areas, and constitute any new tax area or areas, as he thinks fit, under a name or names to be specified in the order: 35

(b) Alter the boundaries of any 2 or more contiguous tax areas by excluding any district from any such tax area and including it in another tax area to which it is contiguous: 40

(c) Alter the name of any tax area:

- (d) Designate any new convening local authority for any new tax area, or alter the convening local authority of any tax area:
- 5 (e) Amend the Second Schedule to this Act in such manner as may be necessary to give effect to any such order.
- (4) If by any such order any new tax area is constituted, it shall comprise such constituent districts as are specified in the order.
- 10 (5) Subject to the foregoing provisions of this section, if at any time the boundaries of any city, borough, county, or independent town district comprised in any tax area are altered, the alteration shall have effect with respect to the tax area, and the boundaries of the tax area shall be deemed to be altered accordingly.
- 15 **6. Auckland tax area—**(1) For the purposes of this Act—
- (a) The Auckland Regional District, as for the time being constituted under the Auckland Regional Authority Act 1963, is hereby constituted a tax area, to be called the Auckland tax area:
- 20 (b) The Auckland Regional Authority, and every local authority whose district is for the time being within the Auckland Regional District, shall be a constituent local authority of the Auckland tax area:
- (c) The Auckland Regional Authority shall be the convening local authority of the Auckland tax area.
- 25 (2) Subsections (3) to (5) of section 5 of this Act shall not apply to the Auckland tax area.

30 **7. Decision to levy tax—**(1) For the purpose of determining whether a local authorities petroleum tax should be levied in any tax area, and the scale in accordance with which any such tax is to be levied (being one of the scales set out in the First Schedule to this Act), the Clerk of the convening local authority of the tax area shall, as soon as practicable after the passing of this Act, call a meeting of

35 representatives of all constituent local authorities of the tax area.

(2) Each constituent local authority (including the convening local authority) may appoint one of its members to attend the meeting as its representative.

40 (3) Every representative so appointed shall be entitled to exercise 1 vote at the meeting:

Provided that if the population of the district of any constituent local authority is 7,500 or more its representative shall have 1 additional vote.

(4) Every question at the meeting shall be decided on a majority of the valid votes cast at the meeting.

(5) Subject to the provisions of this section, the representatives present at the meeting may regulate their own procedure.

(6) If at the meeting it is decided not to levy a local authorities petroleum tax, a further meeting of representatives of the constituent local authorities may be held, at any time after the expiry of 12 months from the date of the first-mentioned meeting, for the purpose of determining whether a tax should be levied, and the scale of any such tax. The further meeting may be called by the convening local authority, and shall be so called at the request in writing of any other constituent local authority. The provisions of this section (including this subsection) shall apply to any meeting called pursuant to this subsection.

8. Effect of determination—(1) Every determination under section 7 of this Act shall take effect on a date to be specified in the determination, being a date not earlier than 6 weeks after the date of the determination, and being the first day of a specified month.

(2) On the taking effect of the determination, the tax shall be deemed to be levied, and shall become payable in accordance with this Act.

9. Alteration of scale of tax—(1) Subject to subsection (3) of this section, the scale of the tax in force in any tax area may from time to time be altered by a determination of a meeting of representatives of all constituent local authorities of the tax area.

(2) The provisions of subsections (2) to (5) of section 7 of this Act shall apply to any such meeting.

(3) No alteration in the scale of the tax shall be made to take effect at any time within 12 months after the date of the taking effect of a previous determination under this section or, as the case may be, under section 7 of this Act.

(4) No such alteration shall be made to take effect on any day other than the first day of a specified month.

10. Notice of tax—On the making of any determination or alteration of the scale of tax to be levied in any tax area, the Clerk of the convening local authority shall forthwith—

(a) Give public notice, which shall be published in newspapers circulating in the tax area, in the form set

out in the Third Schedule to this Act, of the imposition or alteration of the tax, of the date on which it becomes effective, and of the tax area to which it applies; and

- 5 (b) Send to every wholesale distributor at his head office for New Zealand a notice to the same effect; and
(c) Send to the Secretary of Industries and Commerce a notice to the same effect.

11. Appointment of administering committee—(1) Subject to the provisions of this section, for every tax area (other than the Auckland tax area) in which a local authorities petroleum tax is to be levied pursuant to a decision made under this Act, there shall be for the purposes of this Act an administering committee consisting of not more than 8 mem-
15 bers.

(2) As soon as practicable after the making of the decision to levy the tax, and from time to time thereafter, the constituent local authorities shall appoint representatives to be members of the administering committee in accordance with
20 this section.

(3) Subject to section 12 of this Act, the numbers of members to be appointed to the administering committee of any tax area named in the first column of the Second Schedule to this Act as the representative or representatives of the constituent districts (including combined districts) named in the
25 second column shall be the numbers specified in the third column.

(4) Subject as aforesaid, the constituent districts whose names are set out and bracketed together in the second
30 column of the said Schedule shall be combined districts for the purposes of this section.

(5) The representative or representatives of a combined district on the administering committee shall be jointly appointed by agreement among the constituent local
35 authorities of the combined district.

(6) No person shall be qualified to be appointed as a member of the administering committee who is not a member of a constituent local authority.

(7) Every member of an administering committee shall
40 come into office on the day of his appointment, and shall, unless his office sooner becomes vacant, hold office until another member is appointed in his stead.

(8) Any member of an administering committee, so long as he continues to be qualified, shall be eligible for reappointment
45 from time to time, but may at any time be removed from office by the local authority or local authorities of the constituent or combined district of which he is a representative.

(9) On the appointment or removal from office of any member, notice in writing of the appointment or removal shall be given to the Clerk of the convening local authority by the Clerk of the constituent district or, in the case of a combined district, by the Clerk of such one of the constituent districts in the combined district as is nominated for the purpose by the constituent local authorities of the combined district. 5

12. Alteration of representation on administering committee—(1) The constitution, abolition, merger, union, division, or alteration of any constituent district or combined district shall not in itself have any operation so as to affect the then existing membership of an administering committee. 10

(2) The constituent local authorities of any tax area may from time to time consider any alteration of their representation on the administering committee as set out in the Second Schedule to this Act, including any alteration that may be necessary by reason of any event referred to in subsection (1) of this section, and, if they agree, may from time to time make joint recommendations to the Minister of Internal Affairs as to the number of representatives of each of the constituent districts (including combined districts) and as to the constituent districts that should be combined for the purpose of the appointment of representatives. 15 20

(3) If on such consideration the constituent local authorities do not agree on any matter referred to in subsection (2) of this section, the Clerk of the convening local authority shall refer the matter to the Secretary for Internal Affairs, who shall thereupon submit it for decision to a special committee consisting of the Secretary for Internal Affairs (who shall be the chairman) and 4 other members of whom 2 shall be appointed by the Executive Committee of the Municipal Association of New Zealand Incorporated and 2 by the Executive Committee of the New Zealand Counties Association Incorporated. At any meeting of the special committee 3 members shall form a quorum. The special committee may regulate its own procedure. The decision of a majority of the members present at any meeting of the special committee shall be final and shall be deemed for the purposes of this section to be a recommendation made under subsection (2) of this section, and shall be conveyed to the Minister by the Secretary for Internal Affairs. 25 30 35 40

(4) The Governor-General may from time to time, by Order in Council, amend the Second Schedule to this Act in such manner as may be necessary to give effect to any recommendation made to the Minister under the foregoing provisions of this section.

13. Vacancies in membership of administering committee—(1) The office of a member of an administering committee shall become vacant if he—

- 10 (a) Resigns his office by writing addressed to the Clerk of the convening local authority of the tax area; or
- (b) Ceases to be a member of the constituent local authority of whose district he is a representative, or, if he is a representative of a combined district, ceases to be a member of a local authority of the combined district.

15 (2) Where the office of a member becomes vacant as aforesaid, or by reason of his death or removal from office, the vacancy shall be filled in the manner in which the appointment to the vacant office was originally made.

20 (3) The powers of an administering committee shall not be affected by any vacancy in its membership.

14. Chairman and Deputy Chairman of administering committee—(1) Every administering committee shall from time to time appoint from among its members a Chairman and a Deputy Chairman of the committee.

25 (2) During any vacancy in the office of Chairman or whenever the Chairman is unable to act, whether by reason of absence or otherwise, the Deputy Chairman may exercise and perform all the powers and duties of the Chairman.

30 (3) The Chairman shall preside at every meeting of the committee at which he is present.

(4) In the absence of the Chairman and the Deputy Chairman from any meeting of the committee the members present shall select one of their number to be the Chairman for the purposes of that meeting.

35 (5) At any meeting of the committee the Chairman shall have a deliberative vote and, in the case of an equality of votes, a casting vote.

15. Meetings and procedure of administering committee—
40 (1) The first meeting of an administering committee shall be called by the Clerk of the convening local authority of the tax area as soon as practicable after the appointment of the members of the committee.

(2) Thereafter meetings shall be held at such times and places as the committee or the Chairman from time to time appoints.

(3) The committee shall in any case hold a meeting in the month of April in every year. 5

(4) A quorum of the committee shall consist of half the total number of the committee (irrespective of any vacancies) when that number is even, and a majority of the members when the number is odd. 10

(5) No business shall be transacted at any meeting unless at least a quorum of members is present during the whole time while the business is transacted. 15

(6) Except as otherwise provided by this Act, every question before the committee shall be decided on a majority of the valid votes cast at a meeting of the committee. 20

(7) Subject to the provisions of this Act, an administering committee may regulate its own procedure. 25

(8) There shall be paid to members of an administering committee attending any meeting of the committee, out of the separate account kept by the convening local authority of the tax area under section 27 of this Act, travelling allowances and expenses in accordance with section 4 of the Fees and Travelling Allowances Act 1951, and the provisions of that Act shall apply accordingly. For the purposes of this subsection the administering committee shall be a statutory Board within the meaning of that Act. 30

16. Minutes of proceedings of administering committee—

(1) Minutes shall be kept of the proceedings of an administering committee. 35

(2) The minutes of the proceedings of the committee, duly entered and authenticated as prescribed by the committee, shall be prima facie evidence of those proceedings and of their validity. 40

17. Administrative and secretarial services—The convening local authority of a tax area shall provide for the administering committee such administrative, secretarial, and accounting services as are necessary for the efficient carrying out of the functions of the committee. 35

18. Function of administering committee—The function of an administering committee for any tax area shall be to determine from time to time, subject to the provisions of this Act, the manner in which the proceeds of the tax shall be applied or distributed within the tax area. 40

19. Distribution of proceeds of tax—(1) Subject to the provisions of this Act, the proceeds of the tax in any year shall be applied by the administering committee in the following manner:

5 (a) Firstly, they shall be applied in or towards meeting the cost of such projects for the benefit of the region comprised in the tax area as may be approved by unanimous vote of the members present at a meeting of the committee called for the purposes of this section:

10 (b) Secondly, if no such projects are so approved, or if the proceeds are more than sufficient to meet the cost of any such approved projects, the proceeds or, as the case may be, the amount of the excess, shall be distributed among the constituent local authorities (including the convening local authority) according to the proportion which the total rate revenue of each such local authority for the immediately preceding financial year bears to the total rate revenue of all the constituent local authorities for that preceding financial year.

15 (2) In paragraph (b) of subsection (1) of this section, the expression "rate revenue", in relation to any constituent local authority, means all rates, and all charges and fees deemed
25 under any enactment to be rates, made and levied by it on its own behalf, and all rates and levies made and levied, on behalf of a special-purpose authority within the meaning of the Rating Act 1967, over the whole of so much of the district of the special-purpose authority as is included in the district
30 of the constituent local authority; but does not include any special works rates made and levied on behalf of a special-purpose authority over a defined portion of the district of the special-purpose authority.

(3) When the application of the proceeds of the tax has
35 been determined under this section, the Clerk of the convening local authority shall cause notice in writing of the determination to be given to every constituent local authority.

(4) In the case of the Auckland tax area constituted under section 6 of this Act, the manner in which the proceeds of
40 the tax shall be applied or distributed shall be determined, in accordance with the foregoing provisions of this section, at a meeting, which shall be called for the purpose, of

representatives of all the constituent local authorities. The provisions of subsections (2), (3), and (5) of section 7 of this Act shall apply to the meeting called under this subsection.

PART II

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COLLECTION OF TAX

20. Returns by wholesale distributors—(1) Within 21 days after the end of each accounting month within the meaning of the Motor Spirits Duty Act 1961 every wholesale distributor shall send to the Clerk of the convening local authority of every tax area in which a local authorities petroleum tax is for the time being in force a return (in this Part referred to as the monthly return) in the prescribed form setting forth—

(a) The quantity of each class of petroleum delivered within the tax area by him or on his behalf pursuant to any sale, agreement to sell, or disposition to which section 4 of this Act applies, or used by him within the tax area, during that accounting month; and

(b) The amount of local authorities petroleum tax payable on each such quantity; and

(c) Such other particulars (if any) as may be prescribed.

(2) Every wholesale distributor who fails to send to any such Clerk as aforesaid any return required by this section commits an offence and shall be liable on summary conviction to a fine not exceeding \$200.

21. Assessment of tax—(1) The returns mentioned in section 20 of this Act may be accepted by the Clerk as sufficient proof of the matters set forth in them, and the local authorities petroleum tax may be assessed by the Clerk accordingly.

(2) For the purposes of this Part of this Act, the Audit Office shall have, in respect of the records of wholesale distributors relating to petroleum sold, agreed to be sold, disposed of, delivered, or used by them the same powers to inspect and examine relevant books, accounts, receipts, documents, and papers, and to require their production, as it has in respect of the accounts of local authorities under the Public Revenues Act 1953.

(3) After any such inspection or examination as aforesaid, the Audit Office may require the Clerk of the convening local authority of any tax area in which a local authorities petroleum tax is in force to make any assessment or amended assessment for the purposes of this Part, and it shall be the duty of the Clerk to comply with that requirement.

22. Assessment presumed to be correct—Every assessment made by the Clerk under this Part of this Act shall be taken to be correct, and the tax shall be payable accordingly, unless, on an appeal under section 23 of this Act or 5 in proceedings taken under this Act in a Court of competent jurisdiction, a different amount is proved to be the tax payable on the petroleum, or it is proved that no tax is payable, as the case may be.

23. Appeal against assessment—(1) Within 14 days after 10 a demand for the tax is made by the Clerk in accordance with his assessment, the wholesale distributor may appeal to a Magistrate's Court, by way of originating application, against the assessment.

(2) On the hearing of the appeal the Court, whose decision 15 shall be final, may confirm or amend the assessment made by the Clerk.

24. Tax recoverable as a debt—(1) Any local authorities petroleum tax payable on any petroleum shall, immediately on the delivery of the petroleum within the tax area, or on its 20 use in the tax area by the wholesale distributor, constitute a debt owing to the convening local authority of the tax area by the wholesale distributor, and be recoverable accordingly.

(2) Subject to the provisions of this Act, any such debt in respect of any local authorities petroleum tax for any 25 accounting month shall become payable by the wholesale distributor—

(a) On the delivery to the Clerk of the monthly return for that month within the time prescribed by section 20 of this Act; or

30 (b) On the expiry of that time, if the return is not delivered within that time.

(3) The right to recover any tax as a debt under this section shall not be affected by the fact that no proper assessment of the tax has been made in due course under this Act, 35 or that a deficient assessment of the tax has been made.

25. Penalty for late payment of tax—Notwithstanding the provisions of this Act, if any local authorities petroleum tax that has become payable remains unpaid after the expiry of the time prescribed for the delivery to the Clerk of the appropriate return, 10 percent of the amount of the tax unpaid 40 shall be added to it by way of additional tax, and shall be payable accordingly:

Provided that the administering committee of the tax area, or, in the case of the Auckland tax area, a meeting of representatives of the constituent local authorities held in accordance with section 7 of this Act, may in any particular case, for reasons which in its discretion it thinks sufficient, remit the whole or any part of the additional tax payable. 5

26. Power to recover tax from person owing money to wholesale distributor—(1) Where any sum is due and payable by a wholesale distributor for local authorities petroleum tax, the Clerk of the convening local authority of the tax area may by notice in writing (of which a copy shall be forwarded to the wholesale distributor at his last place of address known to the Clerk), require— 10

- (a) Any person by whom any money is due or accruing or may become due to the wholesale distributor; or 15
- (b) Any person who holds or may subsequently hold money for or on account of the wholesale distributor; or
- (c) Any person who holds or may subsequently hold money for or on account of some other person for payment to the wholesale distributor; or 20
- (d) Any person having authority from some other person to pay money to the wholesale distributor—

to pay to the Clerk forthwith, or within such time as he allows, such money (not being salary or wages due or accruing due to the wholesale distributor) or so much thereof as is sufficient to pay the sum due and payable by the wholesale distributor for the tax. 25

(2) Every person who fails or refuses to comply with a notice under this section commits an offence and shall be liable on summary conviction to a fine not exceeding \$200. 30

(3) All payments made pursuant to a notice under this section shall be deemed to be made on behalf of the wholesale distributor, and with his authority and the authority of all other persons concerned.

PART III 35

APPLICATION OF PROCEEDS OF TAX

27. Separate bank account to be kept by convening local authority—(1) All money received by the convening local authority of any tax area pursuant to Part II of this Act shall be paid into the bank at which that local authority keeps its general funds, to the credit of a separate account to be called "The [*Name of tax area*] Local Authorities Petroleum Tax Account". 40

(2) The provisions of any Act under which the convening local authority is constituted as to the manner in which money may be paid from its bank accounts shall apply with respect to payments made from the said account for the purposes and in accordance with this Act.

28. Accounts to be kept in accordance with requirements of Audit Office—(1) The convening local authority of every tax area shall keep such accounts, and keep them in such manner, as may be directed by the Audit Office in respect of the collection, application, or distribution of the proceeds of any local authorities petroleum tax levied in the tax area.

(2) The decision of the Audit Office as to whether or not any expenditure is properly chargeable against any such account shall be final.

29. Transfer to general account of convening local authority of authorised cost of services—(1) The convening local authority of any tax area may, at such intervals as may be approved by the administering committee, transfer to its general account from the Local Authorities Petroleum Tax Account such sums as in the opinion of the administering committee are necessary to defray the costs of the administrative, secretarial, and accounting services provided by that local authority for the administering committee under this Act.

(2) Any amount so transferred shall form part of the ordinary revenue of the convening local authority.

(3) Except as provided in this Act, it shall not be lawful for the convening local authority to transfer any money from the Local Authorities Petroleum Tax Account to any other account.

30. Refund of tax paid on petroleum used in ships, other than coastal ships—On the production to the Clerk of the convening local authority of any tax area of a declaration made, in accordance with the Oaths and Declarations Act 1957, by the owner or charterer, or the agent of the owner or charterer, of any ship, not being a coastal ship within the meaning of the Customs Act 1966, that any petroleum, on which there has been paid any local authorities petroleum tax for the time being in force in that tax area, has been

loaded on the ship for use in that ship on any voyage, the Clerk shall forthwith refund to the owner or charterer or agent, out of the separate account kept by the convening local authority under section 27 of this Act, an amount equal to the amount of the tax paid on the quantity of petroleum specified in the declaration. 5

31. Application of proceeds of tax—(1) On the receipt by the Clerk of the convening local authority of any tax area of notice of any determination of the administering committee under section 19 of this Act as to the application of any money representing or forming part of the proceeds of any local authorities petroleum tax, it shall be the duty of the convening local authority to apply the money in the Local Authorities Petroleum Tax Account in such manner as is necessary to give effect to the determination and in accordance with any directions given by the administering committee in that behalf. 10 15

(2) Where pursuant to any such determination any money is to be distributed among constituent local authorities of the tax area in accordance with paragraph (b) of subsection (1) of section 19 of this Act, any money paid to any constituent local authority pursuant to the determination shall form part of its ordinary revenue. 20

(3) In the case of the Auckland tax area, references in this section to the administering committee shall be read as references to the meeting of representatives referred to in subsection (4) of section 19 of this Act. 25

PART IV

MISCELLANEOUS PROVISIONS

32. Application of certain provisions of Local Authorities (Members' Interests) Act 1968 to administering committee or meeting of representatives—The provisions of sections 6, 7, and 8 of the Local Authorities (Members' Interests) Act 1968 shall apply with respect to every meeting of an administering committee, and to every meeting of representatives of constituent local authorities under section 7 or subsection (4) of section 19 of this Act, as if the meeting were a meeting of members of a committee of a local authority within the meaning of the first-mentioned Act. 30 35

33. Application of Public Bodies Meetings Act 1962 to administering committee or meeting of representatives—Every meeting of an administering committee, and every meeting of representatives of constituent local authorities under section 7 or subsection (4) of section 19 of this Act, shall be deemed for the purposes of the Public Bodies Meetings Act 1962 to be a meeting of a public body within the meaning of that Act, and that Act shall apply accordingly. For the purposes of section 7 of that Act, the office of the convening local authority shall be deemed to be the office of the administering committee.

34. Amount of local authorities petroleum tax on motor spirits in any tax area to be added to motor spirits prices—The Motor Spirits (Regulation of Prices) Act 1933 is hereby amended by inserting, after section 5, the following section:

“5A. (1) While in any tax area within the meaning of the Local Authorities (Petroleum Tax) Act 1970 a local authorities petroleum tax is for the time being in force, the amount of that tax payable in respect of motor spirits shall be added to any maximum and minimum prices for the time being in force in that tax area under this Act, and the resulting sums shall be deemed for the purposes of this Act to be the appropriate maximum and minimum prices for the time being in force in the tax area.

“(2) When the Secretary of Industries and Commerce receives notice, under section 10 of the said Act, of the imposition or alteration of a local authorities petroleum tax in any such tax area, he shall forthwith give notice in the *Gazette* of that fact, and of the scale of the tax, the date on which it becomes effective, and the tax area to which it applies.

“(3) Without limiting the provisions of section 12 of the Evidence Act 1945, a copy of the *Gazette* purporting to contain a copy of any notice under subsection (2) of this section, or a copy of the notice purporting to be printed by the Government Printer, shall be prima facie evidence, in all Courts and in all legal proceedings, of the notice and of its contents.”

35. Effect on agreements of imposition or alteration of tax—For the purposes of this Act, section 159 of the Customs Act 1966, so far as it is applicable and with all necessary modifications, shall apply to agreements for the sale of petroleum as if local authorities petroleum tax were duty within the meaning of that Act, and as if the imposition or alteration of the tax were an alteration to which that section applies. 5

36. Regulations—The Governor-General may from time to time, by Order in Council, make regulations for all or any of the following purposes: 10

- (a) Prescribing such forms, returns, and notices as may be necessary for any purpose under this Act:
- (b) Prescribing matters to be included in any returns to be made or accounts or records to be kept by wholesale distributors or other persons for any purpose under this Act: 15
- (c) Providing for such matters as are contemplated by or necessary for giving full effect to the provisions of this Act and for its due administration. 20

SCHEDULES

FIRST SCHEDULE

Sections 4 (2), 7 (1)

SCALES OF LOCAL AUTHORITIES PETROLEUM TAX

Scale	Motor Spirits Per Gallon	Diesel Fuel Per Gallon	Other Fuel Oil Per Gallon
A	3 cents	1.5 cents	1 cent
B	2 cents	1 cent	0.6 cent
C	1 cent	0.5 cent	0.3 cent

SECOND SCHEDULE

Sections 2, 5, 11 (3), (4), 12

TAX AREAS, CONSTITUENT DISTRICTS, AND REPRESENTATION ON
ADMINISTERING COMMITTEES

Tax Area	Constituent Districts ("C)" Indicates the Convening Local Authority)	Number of Representatives on Administering Committee	
1. Northland	Mangonui County	1	
	Whangaroa County		
	Kaitaia Borough		
	Bay of Islands County	Hokianga County	2
		Kaikohe Borough	
		Kawakawa Town District	
		Hobson County	
	Dargaville Borough		1
	Whangarei County	Otamatea County	2
Hikurangi Town District			
Whangarei City (C)			
		2	
		8	
		—	
2. Waikato- Coromandel	Great Barrier Island County	1	
	Coromandel County		
	Thames County		
	Ohinemuri County		
	Hauraki Plains County		
	Thames Borough		
	Paeroa Borough		
Waihi Borough			

Local Authorities (Petroleum Tax)

SECOND SCHEDULE—continued

TAX AREAS, CONSTITUENT DISTRICTS, AND REPRESENTATION ON
ADMINISTERING COMMITTEES—continued

Tax Area	Constituent Districts ("C)" Indicates the Convening Local Authority)	Number of Representatives on Administering Committee
	Waipa County } Te Awamutu Borough } Cambridge Borough }	1
	Matamata County } Piako County } Tokoroa County Town } Morrinsville Borough } Matamata Borough } Putaruru Borough } Te Aroha Borough }	2
	Raglan County } Waikato County } Huntly Borough }	1
	Hamilton City (C) } Ngaruawahia Borough }	3
		8
		<hr/>
3. Bay of Plenty	Tauranga County } Mt. Maunganui Borough } Te Puke Borough }	1
	Tauranga City }	1
	Rotorua City (C) }	1
	Whakatane County } Whakatane Borough } Kawerau Borough } Murupara Borough }	2
	Taupo County } Taupo Borough }	1
	Opotiki County } Opotiki Borough }	1
	Rotorua County }	1
		8
		<hr/>

SECOND SCHEDULE—continued

TAX AREAS, CONSTITUENT DISTRICTS, AND REPRESENTATION ON ADMINISTERING COMMITTEES—continued

Tax Area	Constituent Districts ("C)" Indicates the Convening Local Authority)	Number of Representatives on Administering Committee
4. King Country	Otorohanga County (C)	1
	Waitomo County	1
	Taumarunui County } Ohura Town District }	1
	Otorohanga Borough } Te Kuiti Borough }	1
	Taumarunui Borough } Manunui Town District }	1
		<hr/> 5
5. Taranaki	New Plymouth City (C)	3
	Hawera County } Hawera Borough }	1
	Eltham County } Waimate West County } Egmont County } Stratford County } Eltham Borough } Stratford Borough } Manaia Town District }	2
	Clifton County } Inglewood County } Inglewood Borough }	1
	Taranaki County } Waitara Borough }	1
		<hr/> 8
6. Wanganui	Patea County } Waitotara County } Wanganui County } Patea Borough } Waverley Town District }	1

SECOND SCHEDULE—continued

TAX AREAS, CONSTITUENT DISTRICTS, AND REPRESENTATION ON
ADMINISTERING COMMITTEES—continued

Tax Area	Constituent Districts ("C)" Indicates the Convening Local Authority)	Number of Representatives on Administering Committee
	Wanganui City (C)	3
	Waimarino County	2
	Rangitikei County	
	Ohakune Borough	
	Raetihi Borough	
	Taihape Borough	
	Marion Borough	
	Hunterville Town District	
		—
		6
		—
7. Manawatu	Horowhenua County	2
	Shannon County Borough	
	Levin Borough	
	Otaki Borough	
	Palmerston North City (C)	3
	Kiwitea County	1
	Pohangina County	
	Oroua County	
	Feilding Borough	
	Manawatu County	1
	Kairanga County	
	Foxton Borough	
		—
		7
		—
8. East Coast	Waiapu County	1
	Waikohu County	
	Cook County	1
	Wairoa County	1
	Wairoa Borough	
	Gisborne City (C)	3
		—
		6
		—

SECOND SCHEDULE—continued

TAX AREAS, CONSTITUENT DISTRICTS, AND REPRESENTATION ON ADMINISTERING COMMITTEES—continued

Tax Area	Constituent Districts ("C)" Indicates the Convening Local Authority)	Number of Representatives on Administering Committee		
9. Hawke's Bay	Dannevirke County } Woodville County } Dannevirke Borough } Woodville Borough }	1		
	Waipawa County } Waipukurau County } Patangata County } Waipawa Borough } Waipukurau Borough }		1	
	Hawke's Bay County			1
	Napier City (C)			2
	Hastings City } Havelock North Borough }	2		
				7
	10. Wairarapa	Pahiatua County } Akitio County } Pahiatua Borough }	1	
		Eketahuna County } Masterton County } Eketahuna Borough }		1
		Masterton Borough (C)		
		Wairarapa South County } Carterton Borough }	1	
Featherston County } Greytown Borough } Featherston Borough } Martinborough Borough }		1		
			7	

SECOND SCHEDULE—*continued*
 TAX AREAS, CONSTITUENT DISTRICTS, AND REPRESENTATION ON
 ADMINISTERING COMMITTEES—*continued*

Tax Area	Constituent Districts ("C)" Indicates the Convening Local Authority)	Number of Representatives on Administering Committee
11. Wellington - Hutt Valley	Hutt County	1
	Porirua City	} 1
	Tawa Borough	
	Lower Hutt City	1
	Upper Hutt City	} 1
	Petone Borough	
	Eastbourne Borough	
Wellington City (C)	3	
		<u>7</u>
12. Nelson	Golden Bay County	1
	Waimea County	2
	Richmond Borough	} 1
	Motueka Borough	
	Nelson City (C)	3
		<u>7</u>
13. Marlborough	Marlborough County	} 2
	Picton Borough	
	Blenheim Borough (C)	3
	Awatere County	} 1
	Kaikoura County	
		<u>6</u>
14. West Coast	Buller County	} 1
	Inangahua County	
	Grey County	1
	Westland County	1
	Westport Borough	1

SECOND SCHEDULE—continued
 TAX AREAS, CONSTITUENT DISTRICTS, AND REPRESENTATION ON
 ADMINISTERING COMMITTEES—continued

Tax Area	Constituent Districts ("C)" Indicates the Convening Local Authority)	Number of Representatives on Administering Committee	
15. North Canterbury	Greymouth Borough (C) } Runanga Borough }	2	
	Hokitika Borough } Ross Borough }	1	
		<u>7</u>	
	Amuri County }	1	
	Cheviot County } Waipara County }	1	
	Ashley County } Eyre County } Oxford County }	1	
	Rangiora County }	1	
	Rangiora Borough (C) }	1	
	Kaipoi Borough }	1	
		<u>6</u>	
16. Christchurch	Waimairi County } Riccarton Borough }	2	
	Christchurch City (C) } Lyttelton Borough }	4	
	Paparua County } Heathcote County } Malvern County } Ellesmere County } Waiwera County } Mt. Herbert County } Akaroa County }	2	
		<u>8</u>	
	17. South Canterbury	Timaru City (C) }	3
		Ashburton Borough }	1

SECOND SCHEDULE—*continued*TAX AREAS, CONSTITUENT DISTRICTS, AND REPRESENTATION ON
ADMINISTERING COMMITTEES—*continued*

Tax Area	Constituent Districts ("C)" Indicates the Convening Local Authority)	Number of Representatives on Administering Committee
	Ashburton County	1
	Waimate County	2
	Geraldine County	
	Mackenzie County	
	Levels County	
	Waimate Borough	1
	Geraldine Borough	
	Temuka Borough	
		—
		8
		<u>4</u>
18. Coastal Otago	Dunedin City (C)	4
	Waitaki County	1
	Oamaru Borough	
	Waikouaiti County	1
	Waihemo County	
	Taieri County	
	Port Chalmers Borough	1
	St. Kilda Borough	
	Green Island Borough	
	Mosgiel Borough	
	Bruce County	1
	Clutha County	
	Balclutha Borough	
	Kaitangata Borough	
	Milton Borough	
		—
		8
		<u>1</u>
19. Central Otago	Maniototo County	1
	Naseby Borough	
	Tuapeka County	2
	Tapanui Borough	
	Lawrence Borough	
	Roxburgh Borough	

SECOND SCHEDULE—continued

TAX AREAS, CONSTITUENT DISTRICTS, AND REPRESENTATION ON ADMINISTERING COMMITTEES—continued

Tax Area	Constituent Districts ("C)" Indicates the Convening Local Authority)	Number of Representatives on Administering Committee
20. Southland	Vincent County (C)	2
	Cromwell Borough	
	Alexandra Borough	1
	Lake County	1
	Queenstown Borough	
	Arrowtown Borough	
		7
		<u>7</u>
	Southland County	2
	Stewart Island County	
Winton Borough		
Wallace County	1	
Riverton Borough		
Otautau Town District		
Invercargill City (C)	4	
Bluff Borough		
Gore Borough	1	
Mataura Borough		
Wyndham Town District		
Fiord County	
	8	
	<u>8</u>	

THIRD SCHEDULE

Section 10 (a)

NOTICE OF IMPOSITION OR ALTERATION OF LOCAL AUTHORITIES
PETROLEUM TAX

IN accordance with a decision made under section 7 of the Local Authorities (Petroleum Tax) Act 1970, a local authorities petroleum tax will be levied on the following scale with effect on and after [*State effective date*] and within the tax area consisting of [*State names of cities, boroughs, counties, county boroughs, and independent town districts within the tax area*].

*Local Authorities (Petroleum Tax)*THIRD SCHEDULE—*continued*NOTICE OF IMPOSITION OR ALTERATION OF LOCAL AUTHORITIES
PETROLEUM TAX—*continued**Scale*

Motor Spirits Per Gallon	Diesel Fuel Per Gallon	Other Fuel Oil Per Gallon
*3 cents	1.5 cents	1 cent
*2 cents	1 cent	0.6 cent
*1 cent	0.5 cent	0.3 cent

Dated this day of 19 .

.....
Clerk [*Or other principal executive officer*] of [*Name of local authority*],
convening local authority of tax area.

*NOTE—Set out only 1 scale, whichever is applicable in accordance with determination.