

Provincial Overdrafts.

A BILL INTITULED

AN ACT to enable Provincial Governments to obtain Overdrafts and Temporary Loans to a limited amount.

WHEREAS by "The Consolidated Loan Act 1867" it is enacted that from and after the passing of that Act no Act or Ordinance which may be passed by any Provincial Council of any Province in New Zealand for raising any Provincial Loan or for the guarantee of the payment of any interest or subsidy shall be valid And whereas the said recited enactment has deprived the Governments of Provinces of the power of contracting with bankers and others for Overdrafts and temporary Loans And whereas the irregular and uncertain intervals at which the Revenue of Provinces is received render overdrafts and temporary Loans necessary for the management of Provincial affairs

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

1. The Short Title of this Act shall be "The Provincial Overdrafts Act 1869."

2. From and after the passing of this Act it shall be lawful for the Superintendent and Provincial Council of every Province by any Act or Ordinance to be from time to time passed by such Provincial Council to authorize either by anticipation or retrospectively any contract on behalf of the Province for a temporary loan by way of overdraft on the banking account of the Province or otherwise as may be expedient and the payment of such loan or overdraft and interest and other charges thereon Provided always that there shall not at any time be or have been due in respect of principal upon any such overdraft or loan or on all such overdrafts or loans of such Province together where more than one a sum exceeding one-fifth of the previous year's Provincial Revenue of the Province as hereinafter defined.

3. The previous year's Provincial Revenue of every Province shall be taken to mean the total sum actually received by the Government of such Province on account of revenue during the financial year ending next before the commencement of the Session in which such Act or Ordinance as aforesaid shall be passed after deducting therefrom the total of payments actually made to the Provincial Account during the same period out of the Consolidated Revenue of the Colony as part of the Revenue of such Province.

4. In the case of the County of Westland the like overdrafts and loans may be authorized in like manner by a resolution of the County Council and the true Provincial Revenue shall in that case mean the total sum actually raised by the County Treasurer on account of County Revenue during the financial year ending next before the passing of such resolution after deducting therefrom the total of payments actually made to the County Treasurer during the same period out of the Consolidated Revenue of the Colony as part of the Revenue of the said County.

5. No contract loan or overdraft made or authorized under this Act shall be deemed to give any person whatever any claim upon the Government of the Colony or on the Consolidated Revenue of the Colony notwithstanding that the Governor may assent to or not disallow any Ordinance made in pursuance of this Act.