

LOCAL GOVERNMENT (AMENDMENT) ACT.

Act No. 14, 1940.

An Act to make further provision for and in relation to guarantees by the Colonial Treasurer in respect of loans of certain councils and county councils; to amend the Local Government Act, 1919, and certain other Acts in certain respects; and for purposes connected therewith. [Assented to, 30th May, 1940.]

George VI.
No. 14, 1940.

BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the "Local Government (Amendment) Act, 1940." Short title.

2. The Local Government Act, 1919, as amended by subsequent Acts, is amended— Amendment of Act No. 41, 1919.

(a) by inserting next after subsection one of section 182A the following new subsection:— Sec. 182A.

(1A) The following provisions shall apply to and in respect of any guarantee given under the authority of this section:— (Guarantee by Treasurer.)

(a) The guarantee shall be in such form and subject to such terms and conditions as are prescribed or as the Treasurer may determine.

(b) The guarantee may include the interest charges and expenses chargeable by the lender against the council in the usual course of his business and the expenses of enforcing or obtaining or endeavouring to enforce or obtain payment of the moneys guaranteed and such interest charges and expenses.

(c)

No. 14, 1940.

Sec. 564b.
(Guarantee
by
Treasurer.)

- (c) The guarantee may be expressed to include compound interest.
 - (d) The lender shall obtain take and hold or retain and hold such securities, if any, for the payment of the moneys guaranteed as the Treasurer may require.
 - (e) The guarantee shall not be enforceable against the Treasurer or the Consolidated Revenue Fund unless and until the lender has exercised his rights and remedies under this Act and under all securities, if any, held by or for him in respect of the moneys guaranteed.
 - (f) The lender shall not without the consent in writing of the Treasurer assign or encumber the benefit of the guarantee.
- (b) (i) by inserting in subsection one of section 564b after the words "works of water supply or works for the supply of electricity" the words "or works connected therewith or incidental thereto or for the purpose of the payment of any expenses incidental to the raising of the loan or of the payment of any interest accruing during part or the whole of the term of the construction of the said works";
- (ii) by inserting next after the same subsection the following new subsection:—
- (1A) The following provisions shall apply to and in respect of any guarantee given under the authority of this section:—
- (a) The guarantee shall be in such form and subject to such terms and conditions as are prescribed or as the Treasurer may determine.
 - (b) The guarantee may include the interest charges and expenses chargeable by the lender against the county council in the usual course

course of his business and the expenses of enforcing or obtaining or endeavouring to enforce or obtain payment of the moneys guaranteed and such interest charges and expenses.

- (c) The guarantee may be expressed to include compound interest.
- (d) The lender shall obtain take and hold or retain and hold such securities, if any, for the payment of the moneys guaranteed as the Treasurer may require.
- (e) The guarantee shall not be enforceable against the Treasurer or the Consolidated Revenue Fund unless and until the lender has exercised his rights and remedies under this Act and under all securities, if any, held by or for him in respect of the moneys guaranteed.
- (f) The lender shall not without the consent in writing of the Treasurer assign or encumber the benefit of the guarantee.

(iii) by inserting after subsection two of the same section the following new subsection:—

(3) The execution by the Treasurer of any guarantee under the authority of this section shall, in favour of the lender, be conclusive evidence that the county council has in the exercise of powers delegated to it under this Part borrowed the moneys in respect of which the guarantee was given for the purpose stated in the guarantee.