

THE LAND BONDS ACT
ARRANGEMENT OF SECTIONS

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SCHEDULE

[The inclusion of this page is authorized by L.N. 31/1977]

Laws
 48 of 1955,
 14 of 1956,
 57 of 1958,
 67 of 1960.
 Acts
 22 of 1966
 S. 23,
 31 of 1967,
 42 of 1969
 3rd Sch.,
 41 of 1973,
 30 of 1976,
 5 of 1988,
 3 of 2000.

THE LAND BONDS ACT

[9th December, 1955.]

1. This Act may be cited as the Land Bonds Act.

Short title

2.—(1) In this Act—

Interpretation

“acquisition” with its grammatical variations and cognate expressions means acquisition in the exercise of powers conferred by any enactment for the time being in force in relation to the compulsory acquisition of land;

“bonded estate” means any parcel of land the consideration money in respect of the purchase or the acquisition of which by the Government was paid in whole or in part by the issue of land bonds,

“consideration money” includes, in relation to land which is purchased, the purchase price of such land and, in relation to any land which is acquired, any sum which is payable by Government to any vendor in respect of the compensation awarded to such vendor by reason of the acquisition of his interest in such land;

“land bonds” means bonds issued in accordance with the provisions of this Act;

“scheduled land” means land of a category specified in the Schedule;

Schedule

“vendor” means any person to whom any consideration money is payable in respect of the purchase or acquisition of any land.

(2) References in this Act—

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 S 2

(a) to series A bonds are to land bonds issued other wise than under subsection (4) of section 4; and

(b) to series B bonds are to land bonds issued under subsection (4) of section 4

Payment in
land bonds
with
consent of
vendor

3. Where any land is purchased or acquired by Government the consideration money payable to any vendor in respect of the purchase or acquisition of such land may, by agreement between such vendor and Government, be paid either in whole or in part by the issue to such vendor of land bonds to a nominal amount equivalent to the whole of the consideration money or to the part of the consideration money which it is agreed may be so paid, as the case may be.

Payment in
land
bonds for
scheduled
land com-
pulsorily
acquired
30/1976
S. 3(a)

4.—(1) Where any scheduled land is acquired by Government for resale or for any other public purpose the consideration money payable to any vendor in respect of the acquisition of such scheduled land may in the discretion of the Minister, subject to the provisions of this section, be paid either in whole or in part by the issue to such vendor of land bonds to a nominal amount equivalent to the whole of the consideration money or the part of the consideration money determined by the Minister, as the case may be:

30/1976
S. 3(b)

Provided that in relation to a *bona fide* mortgage, no mortgagee shall be required to accept payment of consideration money in land bonds in respect of the whole or any part of the mortgage debt but, in lieu of payment of consideration money to the mortgagee, the Government may, by memorandum in writing from the Minister to the mortgagee, assume the liabilities and responsibilities of the mortgagor under the mortgage.

30/1976
S. 3(c)

(1A) For the purposes of the proviso to subsection (1) "*bona fide* mortgage" means—

- (a) a mortgage which was in existence prior to the 28th August, 1975; or
- (b) a mortgage—
 - (i) effected on terms that the proceeds of the mortgage shall be expended for the purpose

- of the purchase or development of property so mortgaged; and
- (ii) the proceeds of which, in so far as they have been received from the mortgagee, are included in expenditure incurred for such purpose; or
- (c) any other mortgage not being a mortgage found by a Commission appointed under this section to have been executed—
- (i) by the mortgagor acting in contemplation of proceedings being taken to acquire the land subject to the mortgage; and
 - (ii) with a mortgagee who knew or had reason to suspect at the time of the execution of the mortgage that the mortgagor was so acting.

(1B) For the purposes of paragraph (c) of subsection (1A) the Minister may, by notice published in the *Gazette* appoint a Commission of one or more persons to determine whether or not a mortgage is a *bona fide* mortgage and the Commission shall, for purposes of its decision—

- (a) have regard to whether—
 - (i) the mortgage was a result of a transaction at arms length between persons who were not connected persons within the meaning of that expression in the Income Tax Act; and
 - (ii) the terms of the mortgage conform with practice which, at the time of execution of that mortgage, prevailed as to the terms stipulated in effecting like mortgages; and
- (b) if satisfied that the mortgage was the result of such a transaction, or that the terms of the mortgage so conform, presume (until the contrary is

proved to the Commission) that there was no such action, knowledge, or reason for suspicion, as mentioned in sub-paragraph (i) or (ii) of paragraph (c) of subsection (1A).

(2) Every Commission appointed under the provisions of this section shall have all the powers, privileges, duties and obligations of, and shall for all purposes be deemed to be, a Commission appointed under the Commissions of Enquiry Act.

(3) Any person whose interests are, or may be, prejudicially affected, shall be entitled to be heard by himself or counsel or solicitor before any such Commission.

30/1976
S. 3(d).

(4) Where the Minister's discretion under subsection (1) is exercised for the purpose of issuing land bonds in payment of any consideration money in respect of the acquisition of scheduled land under or in accordance with the Land Acquisition Act (whether in its application pursuant to any other Act or not), the Minister shall, by order, subject to affirmative resolution of the House of Representative, direct that the land bonds be issued—

- (a) to a specified nominal amount;
- (b) to such vendor as is specified by name;
- (c) towards payment in whole or in part, as the case may be, of the specified consideration money, being so much as shall be paid in regard to such scheduled land pursuant to the Land Acquisition Act; and
- (d) for the purposes of the acquisition, with specified use in view, of the scheduled land aforesaid, which shall, by reference to its location, area and use (if any) by the vendor, be described in the order, and if the scheduled land is idle land as defined in the Land Development and Utilization Act, the land shall be

so designated in the description thereof required by paragraph (d)

(5) In subsection (4)—

"specified", in relation to any direction, means specified in the order containing such direction;

"acquisition" does not include any acquisition for the purposes of which notice was published pursuant to subsection (1) of section 9 of the Land Acquisition Act before the 1st day of December, 1976.

(6) Series B bonds shall not be issued in payment of compensation pursuant to subsection (3) of section 15 of the Land Acquisition Act.

5.—(1) For the purpose of paying any consideration money which may under section 3 or section 4 be paid by the issue of land bonds, the Accountant-General shall, subject to the provisions of this section, create and issue when and as required land bonds in such form and of such denominations as may be prescribed.

Issue of land bonds.

(2) There shall not be outstanding at any one time land bonds to a nominal value in excess of \$1,000,000,000 or such greater amount as the House of Representatives may from time to time, by resolution, approve.

3/2000
S 2

6.—(1) For the purpose of the redemption of land bonds and of the payment of interest upon land bonds there is hereby constituted a fund to be known as the Land Bond Fund.

Land Bond Fund.

(2) All interest payable on land bonds shall be paid out of the Land Bond Fund and if such Fund shall be insufficient shall be charged upon and paid out of the Consolidated Fund.

(3) All moneys required for the redemption of land bonds in accordance with the provisions of this Act shall be paid out of the Land Bond Fund and if such Fund shall be insufficient shall be charged upon and paid out of the Consolidated Fund.

Interest on
land bonds.
57/1958
S. 2.

7.—(1) The Minister may, from time to time, by notification published in the *Gazette*, determine the rate of interest which shall apply to land bonds issued on or after the date on which such notification takes effect, provided that no bonds shall be issued at a rate less than the rate at which the last issue of stock issued under the Local Registered Stock Act was issued.

(2) The interest on any land bonds shall be paid by the Accountant-General at such time and in such manner as may be prescribed.

Redemp-
tion of
land bonds
30/1976
S. 4(a).

8.—(1) All land bonds shall be redeemable at par together with the payment of all arrears of interest thereon.

(2) Subject to subsection (2A), the Accountant-General shall make arrangements for the redemption of land bonds by means of periodical drawings at such time and in such manner as may be prescribed provided that all land bonds shall be redeemed within 20 years from the date on which they are issued.

30/1976
S. 4(b)

(2A) For purposes of the redemption of any series B bond, there shall be made, at the prescribed times, such equal annual payments, during eighteen years from the second anniversary of the issue of that bond, as are sufficient to discharge the nominal amount of the bond before expiration of the period limited for redemption under subsection (2):

Provided that regulations under this Act may require every such annual payment to be made by equal instalments at prescribed times within a year, but no regulations made

pursuant to this proviso shall apply in relation to any bond issued prior to their coming into operation.

(3) Regulations shall be made under this Act providing for the conditions on which land bonds may be— 14/1956
S. 2 (1).

(a) surrendered to the Commissioner of Inland Revenue in satisfaction of any arrears of taxes accrued due, in relation to the bonded estate in connection with the purchase or acquisition of which they were issued, at the time of such purchase or acquisition; or L.N.
93S/1986.

(b) surrendered to the Commissioner of Inland Revenue in satisfaction of any estate duty payable on the death of any person.

(4) Regulations may be made under this Act providing for the conditions on which land bonds may be surrendered to the Commissioner of Inland Revenue in satisfaction of any taxes that may be prescribed. 14 1956
S. 2 (2).

(5) There shall be credited to the Land Bond Fund such sums as may from time to time be provided for the purpose of redemption of land bonds in the Estimates of Revenue and Expenditure of the Island.

8A. Nothing provided by or under subsection (3) or (4) of section 8 shall apply in relation to series B bonds, but it shall be lawful, in case of the acquisition of scheduled land as mentioned in subsection (4) of section 4, for series B bonds to be issued in payment of consideration money, after deducting therefrom arrears of taxes accrued due on the land before its acquisition, or transfer tax in respect thereof, or both, whereupon liability for tax to the amount so deducted shall be deemed to have been discharged and that consideration money to have been paid in full by the issue of such bonds, notwithstanding their issue to a nominal amount equal to the difference between the consideration money and the said amount. No surren-
der of series
B bonds for
taxes, but
amount
thereof to be
deductible.
30 1976
S. 5.

Registration
and negotia-
bility.

9.—(1) The Accountant-General shall keep in the prescribed form a register containing such particulars as may be prescribed in relation to all land bonds issued under this Act.

(2) No sum payable by way of interest upon any land bonds or upon the redemption of any land bonds, shall be paid to any person except a person for the time being shown upon the register as the holder of the bonds in respect of which the payment is made.

30/1976
S. 6(a).

(3) Subject to subsection (4), all land bonds shall be capable of being transferred in such manner as may be prescribed.

30/1976
S. 6(b).

(4) No right, title or interest in or to any series B bonds shall be transferable (whether by way of security or otherwise) except in case of fulfilment of conditions for its transfer which are prescribed under section 15, but no variation of prescribed conditions during the subsistence of any such bond shall abrogate or derogate from any transferability appertaining thereto before the variation.

Exemption
from stamp
duty.

14/1956
S. 3.

30/1976
S. 7.

Moneys to be
credited to
Land Bond
Fund.

10. Land bonds and transfers or assignments of land bonds and memoranda under the proviso to subsection (1) of section 4 shall be exempt from stamp duty.

11.—(1) Where any moneys are received (whether in a lump sum or by instalments) by the Government of Jamaica in respect of the sale or lease of any bonded estate or of any land comprised in a bonded estate, the whole of the moneys so received shall be credited to the Fund up to an amount which together with the aggregate of any amounts previously so credited in respect of such bonded estate is equal to the bonded debt diminished by the amount of any interest paid out of the Consolidated Fund under subsection (2) of section 6 upon bonds issued in respect of the purchase or acquisition of the bonded estate.

(2) In this section—

“bonded debt” means in relation to any bonded estate or any land comprised in such estate an amount equivalent to the aggregate of the amounts of the nominal value of land bonds issued in respect of the purchase or acquisition of such estate and of the interest accrued due thereon.

12.—(1) Subject to the provisions of subsections (2) and (3), the Minister may, after such enquiry as he may deem sufficient, by order published in the *Gazette*, declare any land to be within the category specified in paragraph (a) or in paragraph (b) or in paragraph (d) of the Schedule, and thereafter the provisions of this Act relating to scheduled land shall have effect with respect to the land:

Power to declare land to be scheduled land.

67/1960
S. 2.
Schedule.

Provided that every order declaring land to be within the category specified in paragraph (b) of the Schedule shall be laid upon the respective Tables of both Houses of Parliament and shall come into force upon being approved by resolutions of each House with effect from the date of the later of such resolutions.

(2) Subject to the provisions of subsections (3) and (6), whenever the Minister is satisfied that any land would have fallen within the category specified in paragraph (a) of the Schedule but for action taken since the 1st day of January, 1955, or the day twelve months before the date of the publication of the notice referred to in subsection (3), whichever be the later day, by the owner or occupier of the land, with a view to terminating the tenancies of persons renting the land, he may, nevertheless, by order declare the land to be within that category, and the provisions of this Act relating to scheduled land shall thereafter have effect with respect to the land.

(3) Before making an order under subsection (2), the Minister shall, by notice published in the *Gazette*, appoint a Commission of one or more persons to determine whether or not any action taken with a view to terminating the tenancies of persons renting any land to be specified in the order was taken in good faith and not in contemplation of the enactment of this Act or in contemplation of the acquisition of the land, and to report to him in relation thereto.

(4) Every such Commission shall have all the powers, privileges, duties and obligations of, and shall for all purposes be deemed to be, a Commission appointed under the Commissions of Enquiry Act.

(5) Any person whose interests are, or may be, prejudicially affected, shall be entitled to be heard by himself or counsel or solicitor before any such Commission.

(6) If the Commission reports to the Minister that the action taken by the owner or occupier of the land with a view to terminating the tenancies of persons renting the land was taken in good faith and not in contemplation of the enactment of this Act or in contemplation of the acquisition of the land, the order shall not be made.

Basis of
compensa-
tion on
acquisition
of tenanted
land.

13. Where compensation is to be paid either in whole or in part by the issue of land bonds for any land acquired under the Land Acquisition Act and comprising the whole or part of an estate which has been declared by the Minister for the purposes of this Act to be in his opinion substantially used by the owner or occupier for the purpose of renting to tenants for terms not exceeding five years and in parcels not exceeding on the average ten acres each, the amount of such compensation shall be determined as if there were substituted for sub-paragraph (a) of paragraph (i) of subsection (1) of section 14 of the Land Acquisition Act the following sub-paragraph—

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“(a) the market value at the date of the service of the notice under subsection (3) of section 9 estimated on the basis that it is intended to continue to use the land substantially for the purpose of renting to tenants for terms not exceeding five years and in parcels not exceeding on the average ten acres each;”.

14. Where compensation is to be paid either in whole or in part by the issue of land bonds for any land acquired under the Land Acquisition Act and wholly within the categories of lands included in paragraphs (b), (c), and (f) of the Schedule, the amount of such compensation shall be determined as if there were added to paragraph (ii) of subsection (1) of section 14 of the Land Acquisition Act the following sub-paragraph—

Basis of compensation on acquisition of land in development area. Schedule. 41/1973 S. 2 (a).

“(i) any increase to the value of the land which is attributable to works of development undertaken within six years immediately preceding the service of the notice under subsection (3) of section 9, or proposed by the Government or by any statutory authority in the area in which the land is situated where such area—

30/1976 S. 4.

(i) has been declared to be a development area for the purposes of the Land Bonds Act; or

(ii) is an irrigation area within the meaning of the Irrigation Act; or

(iii) is a housing area, or slum clearance area, or an improvement area within the meaning of the Housing Act.”.

41/1973 S. 2 (b).

15.—(1) The Minister may make such regulations for giving effect to the provisions of this Act as he may deem necessary or expedient.

Regulations.

All regulations made under this Act, except as respects section 7, shall be subject to negative resolution.

42/1969
3rd Sch.
30/1976
S. 9.

(2) Regulations under this section may prescribe different provisions in relation to the different series of land bonds, that is to say, series A bonds and series B bonds.

Land bonds
not
applicable
to certain
leasehold
interests.
30/1976
S. 10.

16. Nothing in this Act shall be construed to authorize the issue of any land bonds in payment of any consideration money in respect of the acquisition of any leasehold interest pursuant to the Land Development and Utilization Act.

SCHEDULE

(Sections 2, 14)

- (a) Land in parcels of fifty acres and upwards comprising the whole or part of an estate declared by the Minister to be in his opinion substantially used by the owner or occupier for the purpose of renting to tenants for terms of not exceeding five years and in parcels not exceeding on the average ten acres each. L.N. 68/1961.
- (b) Land wholly within an area declared by the Minister in accordance with the provisions of subsection (1) of section 12 to be a development area.
- (c) Land wholly within an irrigation area within the meaning of the Irrigation Act.
- (d) (i) Land comprising the whole or part of an area declared by the Minister to be in his opinion substantially occupied by building tenants or squatters or both. 67/1960 S. 3.
- (ii) For the purposes of this paragraph—
 “building tenants” means tenants or sub-tenants occupying part or the whole of an area of land who have erected houses thereon, or who inhabit houses erected thereon by other persons, without any subdivision of that area of land having been sanctioned pursuant to the Local Improvements Act on terms permitting the erection of such houses or without there being in force any legal provision excluding that area of land from the application of the Local Improvements Act;
 “squatters” means persons occupying land who have no right to do so either by purchase, tenancy, contract or permission of any person having the right to grant such permission.
- (e) Land acquired compulsorily under the Land Development and Utilization Act. 22/1966 S. 23.
- (f) Land wholly within a housing area, or a slum clearance area, or an improvement area within the meaning of the Housing Act. 41/1973 S. 3.
- (g) Land, other than land in any of the foregoing categories, which the Government acquires pursuant to the Land Acquisition Act. 30/1976 S. 11.