

[AS REPORTED FROM THE LOCAL BILLS COMMITTEE.]
House of Representatives, 14th November, 1933.

Mr. Mason.

AUCKLAND TRANSPORT BOARD CONVERSION
OF LOANS EMPOWERING.

[LOCAL BILL.]

ANALYSIS.

Title.	1. Short Title.
Preamble.	2. Board may convert loans raised by City Council.

A BILL INTITULED

AN ACT to enable the Auckland Transport Board to
convert *certain* Loans *heretofore* raised by the Auckland
City Council and for which the Board is *now*
liable.

5

WHEREAS pursuant to the provisions of section fifty-
seven of the Auckland Transport Board Act, 1928, the
Auckland Transport Board (hereinafter called the Board)
has taken over the tramway undertaking formerly carried
on by the Auckland City Council (hereinafter called the
Council) and has issued to the Council debentures indemnify-
ing it in respect of various loans raised by the Council,
and for the repayment of which the Board is now liable :
And whereas ~~the Board desires to convert the said loans~~

10

15

Struck out.

in accordance with the provisions of the Local Bodies'
Loans Act, 1926, and the Local Authorities Interest
Reduction and Loans Conversion Act, 1932-33, but
cannot do so because the said loans were raised by the
Council, and it is desirable to authorize the Board so to
do in the same way and to the same extent as if the said
loans had been raised by the Board :

20

2 Auckland Transport Board Conversion of Loans
Empowering

New.

it is desirable to empower the Board to convert the said loans as if the same had been raised by the Board : And whereas some of the debentures issued in respect of the said loans are subject to the provisions of the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33, and some are not so subject, and it is desirable to deal differently with these two classes of debentures :

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

Short Title.

1. This Act may be cited as the Auckland Transport Board Conversion of Loans Empowering Act, 1933.

Struck out.

Board may convert loans raised by City Council.

2. The Auckland Transport Board may, and it is hereby authorized and empowered to, call in and convert any outstanding loans or any part thereof raised by the Auckland City Council and in respect of which the said Board is liable to indemnify the said Council as fully and effectually as if such loan had been raised by the said Board ; and the provisions of the Local Bodies' Loans Act, 1926, and its amendments, and of the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33, shall, *mutatis mutandis*, extend and apply accordingly :

Provided that, with respect to any debentures of any loan above mentioned to which the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33, does not apply, the provisions of section thirteen of that Act shall apply to any conversion or proposed conversion by the Board under this Act, and sections ninety-five, one hundred and four, one hundred and five, one hundred and fourteen, and one hundred and fifteen of the Local Bodies' Loans Act, 1926, shall not apply.

New.

Empowering Board to convert securities that could be converted by the Council under the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33.

2A. (1) This section applies only to securities in respect of which the Council has been indemnified by the Board, as recited in the Preamble to this Act, and which could be converted by the Council in accordance with the provisions of the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33.

New.

5 (2) The Board is hereby empowered to convert any securities to which this section applies, in accordance with the provisions of the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33, in the same manner in all respects as if it had issued such securities.

10 (3) Where pursuant to this section the Board converts any securities issued by the Council, then, as from the date from which the conversion takes effect as fixed by Order in Council under section thirteen of the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33, the Board shall be solely liable to the holder in respect of all the securities issued by the Council in respect of the same loan and dealt with in the same Order in Council (whether such securities are converted in accordance with the foregoing provisions of this section or not), and the liability of the Council in respect of such securities, if not theretofore determined, shall thereupon be determined.

20 (4) Where in accordance with the *last preceding* subsection the Board has become liable in respect of any securities issued by the Council, the Council shall, on the application of the Board, discharge and release, to the extent to which the Board has become so liable, securities issued by the Board to the Council for the purpose of indemnifying the Council in respect of such first-mentioned securities.

30 3. (1) This section applies only to securities in respect of which the Council has been indemnified by the Board, as recited in the Preamble to this Act, and which are not convertible by the Council in accordance with the provisions of the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33.

35 (2) On application in that behalf made by the Board to the Local Government Loans Board, the Board may be empowered by the Governor-General by Order in Council to convert any securities to which this section applies, in accordance with the provisions of Part V of the Local Bodies' Loans Act, 1926, as modified in its application to such securities by this section and by the authorizing Order in Council, in the same manner in all respects as if 40 the Board had issued such securities.

Empowering Board to convert securities that could, with consent of holder, be converted by the Council under the Local Bodies' Loans Act, 1926.

4 *Auckland Transport Board Conversion of Loans
Empowering*

New.

(3) In any authorizing Order in Council made for the purposes of this section, the Governor-General may make such provisions as he thinks fit, with respect to all or any of the following matters, namely :— 5

(a) The creation of sinking funds for the new securities ; the appointment of Commissioners for such sinking funds ; and the application of any existing sinking fund or any part thereof for the purposes of any existing securities or new securities, or in or towards paying the costs and charges (including premiums) of and incidental to the conversion : 10

(b) The security to be given by the Board for any conversion debentures : 15

Provided that nothing herein contained shall prejudice the existing security for the debentures representing so much of any loan as remains unconverted :

(c) Any other matters relating to the conversion or to the new securities. 20

(4) The Governor-General may from time to time, by subsequent Orders in Council, amend any Order in Council made for the purposes of this section by adding to, varying, or revoking the provisions thereof or any of such provisions : 25

Provided that nothing in any such amending Order in Council shall in any way prejudicially affect the security of the holders of any new securities issued before such amending Order in Council comes into force. 30

(5) Subject to the provisions of this section, every such Order in Council shall have the force of law as if it were enacted in this Act, anything to the contrary in any other Act notwithstanding.

(6) Sections ninety-five, one hundred and four, one hundred and five, and one hundred and six of the Local Bodies' Loans Act, 1926, shall not apply with respect to any conversion or proposed conversion by the Board under this section. 35