

248.

This PUBLIC BILL originated in the HOUSE OF REPRESENTATIVES, and, having this day passed as now printed, is transmitted to the LEGISLATIVE COUNCIL for its concurrence.

House of Representatives,  
20th October, 1913.

Mr. Atmore.

## CITY OF NELSON LOANS CONVERSION AND EMPOWERING.

[LOCAL BILL.]

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### A BILL INTITULED

AN ACT to empower the Nelson City Council to raise a Special Title.  
Loan for the Purpose of providing Funds for the Conversion  
of its Present Debentured Indebtedness, and for the Purpose  
5 of paying off its Bank Overdraft and providing Funds for  
Public Works.

WHEREAS the Nelson City Council has raised loans for sums Preamble.  
amounting in all to one hundred and thirty-four thousand three  
hundred and fifty pounds, particulars of which loans, and of the  
10 undertakings for which they were raised, and of the securities for  
such loans respectively are set forth in the *First* Schedule hereto:  
And whereas the said Council is desirous of raising a loan of  
two hundred thousand pounds for the purpose of converting all the  
said loans and of paying off its overdraft to its bank, and of  
15 carrying out public works or undertakings for the benefit of the  
inhabitants of the City of Nelson:

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

20 1. This Act may be cited as the City of Nelson Loans Conver- Short Title.  
sion and Empowering Act, 1913.

No. 61—3,

Interpretation.

2. In this Act, if not inconsistent with the context,—
- “Conversion debenture” or “conversion debentures” means a debenture or debentures authorized to be issued by this Act for the purpose of being exchanged for an existing debenture or existing debentures : 5
  - “Corporation” means the Mayor, Councillors, and Citizens of the City of Nelson :
  - “Council” means the Nelson City Council :
  - “Existing debenture” or “existing debentures” means a debenture or debentures already issued in respect of the 10 loans described in the *First Schedule* hereto :
  - “Existing debenture-holder” or “existing debenture-holders” means the holder or holders of any existing debenture or existing debentures :
  - “Special order” means a special order as defined by the 15 Municipal Corporations Act, 1908 :
  - “Town Clerk” means the Town Clerk for the time being of the Council, and includes any person for the time being appointed by the Council to perform the duties of Town Clerk : 20
  - “Treasurer” means a Treasurer appointed by the Council under the Municipal Corporations Act, 1908, and includes any person for the time being appointed by the Council to perform the duties of Treasurer.

Incorporation of the Local Bodies' Loans Act, 1913.

3. The Local Bodies' Loans Act, 1913, shall, so far as applicable and not inconsistent with this Act, be deemed incorporated in this Act. 25

Power to raise £200,000 loan.

4. The Council is hereby empowered by special order, without taking any of the steps described in sections seven and eight of the Local Bodies' Loans Act, 1913, to raise a special loan for a 30 sum not exceeding two hundred thousand pounds.

Purposes of loan.

5. The said loan, or the debentures to be issued in respect thereof, shall be applied as follows :—

(a.) In repaying all amounts that shall be owing by the Council to its bankers by way of overdraft on the thirty-first day 35 of March, nineteen hundred and *fourteen*, such amounts not to exceed in the aggregate twenty-six thousand pounds :

(b.) In exchanging the said debentures for existing debentures, or in paying to the holders of existing debentures the 40 principal sums thereby secured :

(c.) In providing a fund for enabling the Council to carry out any public works or undertakings.

Poll to determine public works.

6. Before applying any part of the said loan in carrying out any such public work or undertaking, the Council shall obtain the 45 consent of the electors entitled to vote on proposals to raise special loans to that public work or undertaking, such consent to be given in like manner as nearly as may be as if a special loan were proposed to be raised for that public work or undertaking, and the provisions of sections seven and eight of the Local Bodies' Loans Act, 1913, 50 or any modification or re-enactment of such sections for the time being in force, shall, *mutatis mutandis*, apply accordingly.

7. (1.) After the repayment of the said overdraft it shall not be lawful for the Council to owe to its bankers on overdraft on its General Account at the end of any financial year any sum exceeding the amount of revenue for that year payable into that account and then outstanding and uncollected.

Restrictions of future power to overdraw.

(2.) This section shall not affect the right of any bank to be repaid out of the funds of the Corporation any funds advanced by such bank in good faith :

10 Provided that, before any bank grants any overdraft against such outstanding and uncollected revenue, a statutory declaration by the Town Clerk and Treasurer, showing that the amount of such overdraft can legally be borrowed under this section shall be furnished to the bank.

8. The Council may offer to existing debenture-holders conversion debentures in exchange for existing debentures held by them respectively.

Conversion debentures to be offered in exchange.

9. Any existing debenture-holder may decline to accept a conversion debenture in exchange for any existing debenture held by him.

Holders of existing debentures may decline to exchange.

10. The holder of existing debentures shall be entitled to surrender the same in exchange for conversion debentures upon such terms as may be mutually arranged between themselves and the Council, or any agents appointed by it for managing the said loan.

Terms of conversion.

11. (1.) The Council shall make provision to the satisfaction of the Public Trustee for the payment of all debentures issued under this Act at the maturity thereof by the creation of a sinking fund, of which the Public Trustee shall be sole Commissioner.

Sinking fund to be created.

(2.) For such purpose the Council shall, out of its District Fund, permanently appropriate from time to time such yearly sum or sums (which may consist of or include any portion or portions of any special rate or special rates made under the authority of this Act) as the Public Trustee from time to time deems necessary, and shall pay such sum or sums to the Public Trustee yearly and every year during the currency of all debentures issued under this Act, or until he is satisfied that the accumulations of sinking fund will suffice to redeem all such debentures at maturity.

(3.) The first of such yearly payments shall be made at the expiration of twelve months from the raising of any part of the loan of two hundred thousand pounds.

(4.) The Public Trustee shall invest all such sinking-fund moneys in the Common Fund in the Public Trust Office, and shall make no charge for managing and investing the sinking fund.

12. (1.) All sinking funds already provided in respect of any loans authorized by this Act to be converted shall, to the extent to which such loans respectively shall be converted or paid off under this Act, be set free.

Existing sinking funds set free to extent of conversion.

(2.) The Public Trustee shall determine how much of any such sinking fund is applicable to the unconverted or unpaid portion of the loan, and how much thereof is from time to time set free.

13. The sinking funds so set free shall be applied as follows :—  
(a.) In payment of the cost of raising the said loan of two hundred thousand pounds ;

Application of sinking funds set free.

- (b.) In payment of any premium in connection with raising the sum required for the said overdraft ;
- (c.) In payment of any sums by way of premium or compensation for effecting conversion where such premium or compensation is not provided by means of conversion debentures which the Council is hereby authorized to issue for that purpose in excess of the debentures by this Act expressly authorized to be issued : 5
- (d.) In payment of all costs of issuing conversion debentures and charges incident to the conversion and other operations connected therewith ; and 10
- (e.) In augmentation of the sinking fund to be created under this Act.

Security for loan.

14. (1.) The existing special rates, revenues, or other securities for the loans authorized by this Act to be converted shall (save as to so much of the sinking funds as are set free by conversion or repayment) become a consolidated security for the said loan of two hundred thousand pounds. 15

(2.) Nothing in this section shall prejudice the existing security for any existing debentures remaining unconverted. 20

(3.) The Council shall, without further authority than this Act, make and levy such additional special rate or special rates, to be additional security for the said loan of two hundred thousand pounds, and for the payment of the interest and sinking fund in connection therewith and any commission for managing the loan and effecting conversion, as the Public Trustee shall from time to time think necessary and shall require the Council to make and levy. 25

(4.) The Supreme Court of New Zealand shall have jurisdiction, on the application of the Public Trustee, to compel the Council for the time being of the City of Nelson and the members thereof, by *mandamus* or other appropriate proceeding, to make and levy every special rate required by the Public Trustee to be made and levied as aforesaid. 30

(5.) Section one hundred and two of the Local Bodies' Loans Act, 1913, shall apply to every special rate purported to be made, or levied under this Act. 35

Interest, and form of debentures and coupons.

15. (1.) Debentures issued under this Act shall bear interest at a rate not exceeding four per centum per annum, and shall have a currency not exceeding fifty years.

(2.) Every debenture shall be in the form numbered (1) in the *Second* Schedule hereto, and shall be signed by the Mayor, countersigned by the Treasurer, and sealed with the seal of the Corporation, or be signed by any agents appointed by the Council as aforesaid. 40

(3.) All debentures shall be numbered consecutively so that no two debentures shall bear the same number, and as between the holders thereof shall rank equally. 45

(4.) Each debenture shall be for a sum of not less than one hundred pounds nor more than one thousand pounds.

(5.) Separate coupons, in the form numbered (2) in the said Schedule, shall be attached to every debenture, and shall bear the number of the debenture to which they are attached, and shall also be numbered consecutively for the debenture to which they are attached. 50

(6.) The signatures to coupons may be made by fac-similes thereof in lithograph or otherwise.

16. No debenture issued under this Act shall be sold at a price that will produce to the purchaser a greater interest than four and 5 one-half per centum per annum. Price at which debenture may be sold.

17. Every debenture shall be payable, both as to principal and interest, at a place within or out of New Zealand, to be named in the debenture, and also in the coupon; and the principal sum and the interest shall, at the times fixed for payment thereof respectively, be 10 debts due to the holder of the debenture or coupon by the Corporation, and shall be payable free of exchange at the place named in the debenture. Payment of debentures.

18. Debentures and coupons shall be transferable by delivery, and payment to any person in possession of a debenture or coupon 15 shall discharge the Council and the Corporation from all liability in respect thereof. Transfer.

19. No claim of any holder of any debenture issued under this Act, or of any coupon attached thereto, shall attach to or be paid out of the public revenues of New Zealand or the Government thereof. Debenture-holders have no claim on Government.

SCHEDULES.

Schedules.

FIRST SCHEDULE.

Date of Loan.	Amount of Loan.	Rate of Interest.	Amount of Sinking Fund.	Repay-able in	Undertaking.	Nature of Security (Rates are on the Annual Value).
1899	£ 7,500	Per Cent. 4	Per Cent. Nil	1919	Abattoir ...	Special rate, 1½d. in the pound.
1901	1,250	4	1	1931	Tramway-purchase	Special rate, ¼d. in the pound.
1902	30,000	4 and 4½	1	1922	Gasworks and waterworks	Gasworks and waterworks revenue and municipal rates.
1903	15,000	4½	Nil	1933	Waterworks ...	Special rate, 2¾d. in the pound.
1905 (renewal)	4,000	4½	1½	1935	General and drainage	Special rate, 1d. in the pound.
1905	60,500	4½	Nil	1925	Drainage ...	Special rate, 11d. in the pound.
1906 (renewal)	5,900	4½	1½	1936	Gasworks and waterworks	Gasworks and waterworks plant and revenue.
1906	2,500	4½	1½	1936	Gasworks ...	Special rate, ¾d. in the pound.
1907	2,500	4½	1½	1937	Bridges - rein-statement	Special rate, ¾d. in the pound.
1912 (renewal)	4,000	4	0⅝	1962	Rocks Road ...	Special rate, ¾d. in the pound.
1912	1,200	4½	1½	1942	Waterworks and land-purchase	Special rate, ¼d. in the pound.
	134,350					

## SECOND SCHEDULE.

## No. (1.) DEBENTURE.

*Nelson City Council, of the City of Nelson, New Zealand.*

Debenture issued pursuant to the City of Nelson Loans Conversion and Empowering Act, 1913.

LOAN of £200,000 secured on the several special rates of 1½d., ¼d., 2¼d., 1d., 11d., ¾d., ¾, ¾d., and ¼d. respectively made by the said Council on the annual value of all rateable property within the City of Nelson, the gasworks and waterworks revenues and plant, and municipal rates (being all the securities pledged for special loans, amounting in all to £134,350 heretofore raised by the said Council, all which securities are to be a consolidated security for the said loan of £200,000), together with such special rate or special rates as the Public Trustee of New Zealand may require under the said Act to be made, and levied by the said Council as additional security for the said loan of £200,000.

Debenture for \_\_\_\_\_ pounds, payable at \_\_\_\_\_, on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, issued by the Nelson City Council, of the City of Nelson, New Zealand, under the above Act.

[N.B.—The holder of this debenture has no claim in respect thereof upon the Government or public revenues of New Zealand.]

On presentation of this debenture at \_\_\_\_\_, on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, the bearer thereof will be entitled to receive \_\_\_\_\_ pounds.

This debenture bears interest at the rate of \_\_\_\_\_ per cent. per annum, and during its currency such interest is payable half-yearly on the \_\_\_\_\_ day of \_\_\_\_\_ and \_\_\_\_\_, on presentation of the appropriate coupon annexed hereto.

Interest on this debenture will cease after the date when payment of the debenture falls due unless default is made in punctual payment.

Issued under the common seal of the Mayor, Councillors, and Citizens of the City of Nelson, the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Treasurer.

Mayor

[or agents for managing the loan.]

## No. (2.) COUPON.

DEBENTURE No. \_\_\_\_\_, of the Nelson City Council, of the City of Nelson, New Zealand, for £ \_\_\_\_\_, issued under the City of Nelson Loans Conversion and Empowering Act, 1913, secured on the rates and other securities mentioned in the debenture.

On presentation of this coupon at \_\_\_\_\_, on or after the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, the bearer hereof will be entitled to receive \_\_\_\_\_ pounds as interest.

[N.B.—The holder of this coupon has no claim in respect thereof upon the Government or public revenues of New Zealand.]

Treasurer.

Mayor

[or agents for managing the loan.]