

Mr. Pinkerton.

DUNEDIN LOANS CONVERSION.

[LOCAL BILL.]

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A BILL INTITULED

AN ACT to authorise the Conversion by the City of Dunedin of certain Loans into a Consolidated Loan. Title.

WHEREAS the several loans in the Schedule hereto specified have been raised under the authority of the several enactments in the said Schedule referred to, and are to the extent in each case therein appearing still outstanding: And whereas it is expedient that power should be given to the Corporation of the said city to effect the conversion hereby contemplated, and for that purpose to issue debentures in manner and to the extent hereinafter set forth: Preamble.

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 is “The Dunedin Loans Conversion Act, 1894.” Short Title.

2. In the interpretation of this Act the following expressions shall have the meanings hereby assigned to them:— Interpretation.

“The City of Dunedin” shall mean the Mayor, Councillors, and Citizens of the City of Dunedin, as incorporated by law:

“The Council” shall mean the Council of the said city, and it shall, in carrying out the provisions of this Act, exercise all the powers of the City of Dunedin :

“The converted loans” shall mean the several loans in the Schedule hereto specified :

“The Sinking Fund Commissioners” shall mean the Sinking Fund Commissioners empowered to act or acting in connection with the sinking funds established or recognised by and in the several Acts and Ordinances in the Schedule hereto mentioned :

“The Agents” shall mean the Agents appointed under the provisions of this Act :

The debentures authorised by this Act to be issued shall be termed “Conversion Loan Debentures, 1894.”

New paragraph.

“The said Act” means “The Municipal Corporations Act, 1886.”

3. It shall be lawful for the Council, as soon as it shall be found convenient, to call in and convert the loans in the Schedule hereto specified, notwithstanding that the same are not yet due and payable, and for that purpose to issue debentures to be disposed of in exchange for the debentures representing the converted loans ; and such debentures may be issued to the amount of the said loans, and such further amount as may be found necessary to convert the said loans in manner hereinafter set forth.

New paragraph.

But nothing in this Act shall be deemed to entitle the Council to compel the holder of any debenture of a converted loan to accept payment thereof before the due date thereof.

4. The Council may appoint any company, or any person or persons, in England, and in such other place or places as may be found necessary, to be Agents for the purpose of managing the conversion contemplated by this Act ; and such Agents may exercise all such authority as is hereby conferred on the Council, unless the Council shall limit their authority, and such Agents shall also be the Agents of the Sinking Fund Commissioners for all purposes connected with the administration of this Act, and shall have full power to act generally in connection with the operations contemplated by this Act.

5. The cost of issuing such debentures, and all charges connected with the conversion and other operations contemplated by this Act, shall be paid out of the sinking fund set free by the operation hereof.

6. The holders of debentures representing the converted loans shall be entitled to surrender the same, in exchange for debentures created under the provisions hereof, at such rates as shall be agreed upon between the Council or the Agents and such holders.

7. In adjusting the terms of such conversion, the Council shall pay to such holders the agreed difference in value between the debentures so surrendered and the Conversion Loan Debentures, 1894, issued in exchange therefor, and such payment shall be made either in cash or by delivery of debentures for a further amount issued under the provisions hereof: Provided that no debenture shall be issued for a smaller sum than twenty-five pounds, and any payment to a smaller amount shall be made in cash.

The Council empowered to convert loans and issue debentures.

Appointment of Agents.

Cost of issuing debentures, how paid.

Debenture-holders may exchange same for other debentures created under this Act.

Terms of conversion.

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8. When any part of any of the loans in the Schedule hereto specified is converted, the sinking fund accrued and accruing on such part shall be held to be set free, and it shall be the duty of the Sinking Fund Commissioners, *pari passu* with such conversion, to pay over to the Council so much thereof, representing the loans in the Schedule hereto described, as shall be applicable to the debentures from time to time converted; and for this purpose the said Commissioners are hereby empowered from time to time to sell such of the securities held by them as they shall think fit, and to obtain advances either against specific securities or generally, and to apply the proceeds of such sales or advances in making such payments; and the said Commissioners are further hereby empowered to decide how much of the funds in their hands is applicable to the loans in the Schedule hereto, and how much thereof is from time to time subject to be paid over to the Council: Provided that from their decision there shall be an appeal to a Judge of the Supreme Court, to be brought by way of summons, but no further appeal, and in any such appeal the Public Trustee shall sufficiently represent all interests other than those of the Council.

Sinking fund, how dealt with.

Appeal provided for.

9. All sums which may be necessary for the purpose of paying to holders of converted debentures the agreed difference in value between such debentures so surrendered by way of exchange and the debentures issued under the provisions hereof shall be paid out of sinking fund so set free as aforesaid.

Difference between converted debentures and debentures under this Act paid out of sinking fund.

Struck out.

10. So much of the sinking fund so set free as aforesaid as shall not be required for the purpose of effecting such conversion shall form part of the Borough Fund, and shall be available for such purposes as the Council shall think fit.

Residue of sinking fund set free to form part of Borough Fund.

New Clauses.

10. So much of the sinking fund so set free as aforesaid as shall not be required for the purpose of effecting and paying the cost of such conversion shall be paid into the Borough Fund, and shall be applied in satisfaction or reduction of the existing bank overdraft of the Corporation.

10A. In addition to the limits prescribed by section two hundred and one of the said Act, it is hereby further enacted,—

(1.) That after all the moneys referred to in section *ten* have been paid into the Borough Fund it shall not be lawful for the Council to owe to its bankers on overdraft at the end of any financial year any sum exceeding the amount of ordinary revenue of that year then outstanding and uncollected.

(2.) That during the process of conversion, and until the whole of the moneys referred to in section *ten* have been paid into the Borough Fund, the overdraft limit prescribed by section two hundred and one of the said Act shall be reduced by the aggregate of the amounts so paid in from time to time.

11. The foregoing provisions of section *ten* shall not apply to such sums as shall be left in the hands of the Council by reason of holders of converted debentures accepting debentures in payment of the agreed difference in value between the debentures surrendered and the Conversion Loan Debentures, 1894, accepted by them in lieu thereof.

Section 10 not to apply in certain cases.

Struck out.

Certain sums to be carried to Sewage Loan Account.

12. Such last-mentioned sums shall be carried by the Council to a separate account, to be called the Sewage Loan Account, and shall be invested by the Council until any loan shall be raised exclusively for the purpose of drainage or sewage for Dunedin, or for any district of which Dunedin or any part thereof may form part, and shall thereafter, both as to the principal sum so invested and the accrued and accruing income thereof, be available so far as the same will extend for the payment of interest on such loan, or upon such part thereof as shall fall upon the ratepayers of Dunedin: Provided that the Council shall have power to place any such sums in the hands of the Sinking Fund Commissioners for investment, retaining the power to call for repayment of the same when the same shall be required for the purposes of this section.

Proviso.

New clause.

12A. The sums mentioned in section shall be paid to the Sinking Fund Commissioners of the City of Dunedin, and shall be invested by them, together with all interest and profits accruing therefrom, as a sinking fund for the redemption of the Conversion Loan Debentures, 1894.

Pending operations for conversion, advances may be obtained.

13. Pending the operations for converting loans and issuing the debentures authorised to be issued under the provisions of this Act, and the getting-in of the moneys which, under the provisions hereof, the Sinking Fund Commissioners are directed to pay to the Council, the Council or the Agents may, for the purpose of carrying out the provisions hereof, obtain advances from any bank, company, or person.

Council may pay cash for debentures.

14. In any case in which the holder of any debentures representing any part of any of the loans in the Schedule hereto described shall prefer to accept an immediate cash price therefor, it shall be lawful for the Council to *may* pay the same, and to sell such of the debentures issued under the provisions hereof as may be necessary to provide for such case.

Interest on, currency of, and form of debentures.

15. The debentures issued under the authority of this Act shall bear interest at a rate not exceeding four and one-half per centum per annum, and such interest may be made payable in London or elsewhere; and such debentures shall have a currency of thirty years from the first day of January, one thousand eight hundred and ninety-five, and shall be in the form in the *Second* Schedule hereto, and shall be numbered consecutively, and as between the holders thereof shall rank equally; and coupons in the form of the said Schedule, similarly numbered and expressing the rate of interest, shall be attached thereto, and no debenture or coupon shall be liable to stamp duty.

Transfer of debentures.

16. Any such debenture may be transferred by indorsement in the form in the said *Second* Schedule (or by separate form of transfer to the like effect), attested by one witness, whose address and occupation shall appear on such instrument; and such transfer, or a notari- ally attested copy thereof, shall be presented for registration in the books of the Council at the Town Hall, Dunedin, within ~~fourteen~~ *twenty-one* days from the date thereof if executed in New Zealand, and if executed beyond New Zealand, within ~~fourteen~~ *twenty-one* days after the arrival thereof in the colony; and no such transfer shall be liable to stamp duty.

17. The several revenues forming the security for the respective loans mentioned in the First Schedule hereto mentioned, and generally all existing securities, including so much of the sinking fund as is applicable thereto and is not set free, shall remain as the security therefor until the same shall be converted to the extent to which the several holders of debentures representing such loans are now entitled to the security thereof, and, *pari passu* with such conversion, the said revenues and the said securities, other than sinking fund, shall, as to so much thereof as forms the security for the converted debentures, become a consolidated security for the debentures issued hereunder, and generally, and subject to all lawful existing charges, the debentures issued under the provisions hereof shall be secured upon the rents and revenues of the City of Dunedin.

Securities.

Struck out.

18. Sections numbered from two hundred and four to two hundred and nine, both inclusive, of "The Municipal Corporations Act, 1886," shall not apply to the debentures issued under the provisions hereof, or the loan or debt represented thereby; but sections numbered from two hundred and ten to two hundred and eighteen, both inclusive, of the said Act shall so apply, and the powers thereby conferred shall be additional to any powers hereby conferred.

Sections 204 to 209 inclusive of "The Municipal Corporations Act, 1886," not to apply to debentures issued under this Act.
Sections 210 to 218 to apply.

19. It shall not be necessary for the Council to cause any public meeting of the citizens to be held, or to take any poll of the citizens, for the purpose of consenting to, or in respect of the issue of any debentures issued under the authority of this Act, or the incurring of the indebtedness thereby created.

Poll of citizens not necessary.

20. No objection shall be allowed in any Court to any rate which the Council or a Receiver shall purport to strike, make, or levy under the provisions of this Act; and no informality or irregularity, whether in form or in substance, in the making, striking, or levying of such rate, or in the election or appointment of any body or person acting in connection therewith, shall be allowed by any Court as a defence to any action or proceeding for the recovery of such rate, or be entertained as a ground for quashing such rate or restraining the recovery thereof.

Objections to rates struck under this Act not allowed.

21. No claim of any holders of debentures or coupons issued under the authority hereof, or of any creditor of the Corporation, shall attach to or be paid out of the public revenues of New Zealand or the Government thereof.

Debenture-holders have no claim to be paid out of the public revenues of New Zealand.

FORM OF TRANSFER OF DEBENTURE.

I [Transferor], of [Name in full, occupation, and address] hereby transfer to [Transferee] of [Name in full, occupation, and address] the within [or a certain] Conversion Loan Debenture, 1894, of the City of Dunedin, numbered [Quote number correctly].
 (Signature) A.B., Transferor.

Signed in the presence of C.D.,
 [Add address and occupation].

[NOTE.—The above form is printed for the guidance of transferors, and should be strictly followed. If the original debenture is not forwarded to Dunedin with the indorsement thereon, for registration, there should be forwarded either a notarially attested copy thereof or a separate form of transfer in the above form, duly executed before some well-known person, such as a Justice, clergyman, barrister, solicitor, London broker, Mayor, Town Clerk, or county official.]

FORM OF COUPON.

CONVERSION Loan Debenture, 1894, No. _____, of the City of Dunedin, New Zealand, issued under "The Dunedin Loans Conversion Act, 1894," secured on rents and revenues of the city as provided by that Act.

ON presentation of this coupon at _____ on or after the _____ day of _____, 18 [or 19] the bearer hereof will be entitled to receive £ _____

C.D., Treasurer.

A.B., Mayor.
 [or E.F., } Agents.
 G.H., }