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LOCAL BODIES' LOANS BILL.

EXPLANATORY MEMORANDUM.

THIS is a Bill to consolidate the Local Bodies' Loans Act, 1913, and its amending Acts—1921, No. 10, 1922, No. 4; 1924, No. 17; together with various other amending provisions. In all fifteen separate enactments have been included in this Consolidation Bill.

The tables annexed show the correspondence between the clauses of this Bill and the sections of the Act of 1913 and the several amending Acts embodied in the Bill.

The general scheme of the Bill is to embody the law as it stands, omitting repealed sections and sections such as the introductory sections of amending Acts the effect of which is spent. Occasionally the language of a section has had to be slightly altered, either to give effect to the result of an amendment or to make an expression clearer without altering its effect. Otherwise the law has not been altered.

E. Y. REDWARD,
Compiler of Statutes.

HISTORICAL TABLES SHOWING DISPOSITION IN THE BILL OF SECTIONS OF
CONSOLIDATED ENACTMENTS.

1913, No. 30.—THE LOCAL BODIES' LOANS ACT, 1913.

Section of Act.	Clause of Bill.	Section of Act.	Clause of Bill.	Section of Act.	Clause of Bill.
1 ..	1	40 ..	45	78 ..	84
2 ..	2	41 ..	47	79 ..	85
3 ..	3	42 ..	48	80 ..	86
4 ..	6	43 ..	49	81 ..	87
5 ..	7	44 ..	50	82 ..	88
6 ..	8	45 ..	51	83 ..	89
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11 ..	13	50 ..	56	88 ..	94
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16 ..	18	55 ..	61	93 ..	99
17 ..	19	56 ..	62	94 ..	100
18 ..	20	57 ..	63	95 ..	101
19 ..	21	58 ..	64	96 ..	102
20 ..	22	59 ..	65	97 ..	103
21 ..	23	60 ..	66	98 ..	104
22 ..	24	61 ..	67	99 ..	105
23 ..	25	62 ..	68	100 ..	106
24 ..	26	63 ..	69	101 ..	107
25 ..	27	64 ..	70	102 ..	108
26 ..	28	65 ..	71	103 ..	109
27 ..	29	66 ..	72	104 ..	110
28 ..	30	67 ..	73	105 ..	111
29 ..	33	68 ..	74	106 ..	112
30 ..	34	69 ..	75	107 ..	113
31 ..	36	70 (1), (2), (5)	(1)	108 ..	116
32 ..	37	70 (3), (4)	76	109 ..	117
33 ..	38	71 ..	77	110 ..	118
34 ..	39	72 ..	(1)	111 ..	119
35 ..	40	73 ..	78	112 ..	120
36 ..	41	74 ..	80	113 ..	121
37 ..	42	75 ..	81	114 ..	122
38 ..	43	76 ..	82	115 ..	123
39 ..	44	77 ..	83		

(1) Omitted as spent.

1916, No. 14.—THE RESERVES AND OTHER LANDS DISPOSAL AND PUBLIC BODIES EMPOWERING ACT, 1916.

Section of Act.	Clause of Bill.
100 ..	.. 40

1917, No. 21.—THE WAR LEGISLATION ACT, 1917.

Section of Act.	Clause of Bill.
22 ..	.. 4

1919, No. 32.—THE HOUSING ACT, 1919.

Section of Act.	Clause of Bill.
51 ..	.. 66

1919, No. 52.—THE FINANCE ACT, 1919.

Section of Act.	Clause of Bill.
20 ..	.. 5

1920, No. 49.—THE HOUSING AMENDMENT ACT, 1920.

Section of Act.	Clause of Bill.
14 ..	.. 66

1920, No. 83.—THE FINANCE ACT, 1920.

Section of Act.	Clause of Bill.
45 ..	.. 46

1921, No. 5.—THE FINANCE ACT, 1921.

Section of Act.	Clause of Bill.	Section of Act.	Clause of Bill.	Section of Act.	Clause of Bill.
11 ..	.. 114	12 ..	.. 83, 87, 88	13 ..	.. 32

1921, No. 10.—THE LOCAL BODIES' LOANS AMENDMENT ACT, 1921.

Section of Act.	Clause of Bill.	Section of Act.	Clause of Bill.	Section of Act.	Clause of Bill.
1 ..	.. (1)	4 ..	.. 34, 35	7 ..	.. 81, 82, 84,
2 ..	.. 17	5 ..	.. 42, 64, 88		.. 85, 87, 88,
3 ..	.. 28, 64	6 ..	.. 114		.. 89, 90

(1) Omitted as being no longer necessary.

1922, No. 4.—THE LOCAL BODIES' LOANS AMENDMENT ACT, 1922.

Section of Act.	Clause of Bill.	Section of Act.	Clause of Bill.	Section of Act.	Clause of Bill.
1 ..	.. (1)	4 ..	.. 19	7 ..	.. (4)
2 ..	.. 3 (3)	5 ..	.. (2)	8 ..	.. (4)
3 ..	.. 14, 15	6 ..	.. (3)		

(1) Omitted as being no longer necessary.
as spent.

(2) Repealed by 1923, No. 45, section 21 (4).
(4) Not repealed; remains in force as part of Local Bodies' Finance Act, 1921-22.

(3) Omitted

1922, No. 51.—THE FINANCE ACT, 1922.

Section of Act.	Clause of Bill.
23 ..	.. 28 (5)

1923, No. 27.—THE FINANCE ACT, 1923.

Section of Act.	Clause of Bill.
38 ..	.. 114

1923, No. 45.—THE APPROPRIATION ACT, 1923.

Section of Act.	Clause of Bill.
21 ..	... 25, 26

1924, No. 17.—THE LOCAL BODIES' LOANS AMENDMENT ACT, 1924

Section of Act.	Clause of Bill.	Section of Act.	Clause of Bill.	Section of Act.	Clause of Bill.
1 ..	.. (1)	3 ..	.. 108	5 ..	.. 31
2 ..	.. 115	4 ..	.. 95		

(1) Omitted as being no longer necessary.

1925, No. 51.—THE FINANCE ACT, 1925.

Section of Act	Clause of Bill.	Section of Act.	Clause of Bill.	Section of Act.	Clause of Bill.
16 ..	.. 74	23 (2) ..	.. 32 (2)	44 ..	.. 79



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,
2nd September, 1926.

Hon. Mr. Downie Stewart.

LOCAL BODIES' LOANS.

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- 30. With consent of Minister local authority may, on application of holder of debentures, cancel them and issue consolidated debenture in lieu thereof.
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- 98. Outstanding holder not bound to accept payment.
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- 100. Agents for Sinking Fund Commissioners.
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- 126. Repeals. Savings. Provisions as to existing loans. Schedules.

A BILL INTITULED

AN ACT to consolidate and amend certain Enactments relating to
Local Bodies' Loans. Title.

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

1. (1.) This Act may be cited as the Local Bodies' Loans Act, Short Title and commencement.
1926, and shall come into force on the first day of October, nineteen
hundred and twenty-six.
- 10 (2.) This Act is divided into Parts, as follows :— Act divided into Parts.
- PART I.—Local Bodies' Loans generally. (Sections 3 to
61.)
- PART II.—Joint Special Loans. (Sections 62 to 65.)
- 15 PART III.—Loans to Local Bodies by Advances Office.
(Sections 66 to 79.)
- PART IV.—State-guaranteed Loans. (Sections 80 to 92.)
- PART V.—Conversion of Local Bodies' Loans. (Sections
93 to 113.)
- PART VI.—Miscellaneous. (Sections 114 to 126.)
- 20 2. In this Act, if not inconsistent with the context,— Interpretation.
1913, No. 30, sec. 2
- “Advances Office” means the State Advances Office established
under the State Advances Act, 1913; and “Board” and
“Superintendent” mean respectively the Board constituted
and the Superintendent appointed under that Act :
- 25 “Chairman” of a local authority includes the Mayor of a
borough :
- “District” includes a borough, county, road district, town
district, Native township, drainage district, water-supply
district, and river district constituted under any Act relating
thereto respectively :
- 30 “Local authority” means the Council, Board, or other statu-
tory governing authority of a district as herein defined
and having power to make and levy rates in such district :
- 35 “Local fund” means the District Fund in a borough, the County
Fund in a county, the Road Board Fund in a road district,
and the similar general fund of a town district, Native
township, drainage district, water-supply district, or river
district :
- 40 “Minister” means the Minister of Finance :
- “Ordinary revenues” does not include moneys received by
way of grant from the Government, or moneys borrowed
by a local authority or set apart by it for any special
purpose under this or any other Act :
- 45 “Public work” or “undertaking” includes public works of
any nature, and any undertaking or purpose which a local
authority is authorized to erect, construct, engage in, or
provide for by means of money borrowed under this or any
other Act for the time being in force :

“Ratepayers” means the ratepayers in a district or part of a district, and includes all persons entitled to vote on any proposal to raise a loan :

“Regulations” means regulations made under this Act :

“Special order” means such an order made in accordance with the provisions of any Act in force by virtue of which a local authority can make a special order, and where there is no such provision means a resolution passed by the local authority at a special meeting convened for the purpose. 5

PART I.

10

LOCAL BODIES' LOANS GENERALLY.

Power to raise Special Loan.

Local authority may borrow money for public work.
1913, No., 30, sec. 3
1922, No. 4, sec. 2.

3. (1.) A local authority may from time to time raise a special loan for and in connection with the constructing, providing, or establishing any public work, or the purchase or other acquisition of any land, building, erection, or structure, or the engaging in any undertaking as to which the local authority is duly authorized by law, or the payment, consolidation, or conversion of the whole or any part of any special loan or loans which the local authority has theretofore lawfully raised, or for which the local authority is otherwise liable. 15 20

One loan may cover more than one purpose.

(2.) One special loan may be raised for more than one of such purposes, the amount applicable to each purpose being stated when submitting the proposal for the loan to the ratepayers as hereinafter mentioned, or in the special order authorizing the loan, as the case may be. 25

Loans for benefit of part of district.

(3.) A local authority may raise a special loan for any authorized purpose for the benefit of some defined part of a district (whether called by any distinctive name or not), and in such case (except in cases where the steps described in sections *nine* to *thirteen* hereof are not required to be taken)— 30

(a.) The steps described in sections *nine* to *thirteen* hereof shall be limited to the part affected, and the poll shall be taken in respect of that part only :

(b.) Where the part of the district affected is not a legal subdivision, a special roll shall be prepared comprising the names of all persons entitled to vote in that part, together with the numbers of the sections, blocks, areas, and rateable values of the lands included in that part of the district : 35

(c.) Such special roll shall be prepared, corrected, completed, and authenticated in the time, manner, and form prescribed by 40 regulations :

(d.) Before any steps are taken as described in sections *nine* to *thirteen* hereof, the special roll shall be deposited for public inspection at the office of the local authority for not less than seven days, and notice thereof shall be published in some newspaper circulating in the district : 45

(e.) Any person whose name appears on such roll may, not later than seven days after the last day on which the roll was so deposited, lodge with the local authority an objection to his name being included in the roll, on the ground that his property will not be benefited, or will be only partially benefited, by the expenditure of the proposed loan, or on the ground that the property of any person is wholly or partially omitted from the roll :

(f.) Every such objection shall be heard and determined in manner prescribed by regulations.

(4.) The local authority of a district may permit any other local authority to construct or carry out a public work or undertaking in such first-mentioned district on such terms as may be agreed between such local authorities ; and the local authority so receiving permission may, if so authorized by the votes of the ratepayers as hereinafter provided, apply all or any part of the moneys raised under this Act for the purposes of such work or undertaking in like manner as it could do in its own district.

One local authority may carry out work in district of another.

4. (1.) Any local authority may, by special order, and without taking the steps described in sections *nine to thirteen* hereof, borrow any moneys required for any public work undertaken by that local authority with a view to providing employment for discharged soldiers :

Local authorities may, without poll, borrow money to provide work for discharged soldiers. 1917, No. 21, sec. 22.

Provided that no moneys shall be borrowed by a local authority under this section except with the special consent of the Governor-General in Council given under this section, and subject to such conditions as the Governor-General in Council may impose. The Governor-General shall not give his consent to the borrowing of any moneys under this section unless he is satisfied that there is a *bona fide* intention to employ discharged soldiers in carrying out the works for which such moneys are proposed to be borrowed.

(2.) Any moneys authorized to be borrowed by a local authority under this section may be borrowed by that local authority from the Superintendent of the State Advances Office, notwithstanding that the works for which such moneys are so borrowed may not be public works of any of the classes enumerated in section *sixty-six* hereof.

(3.) The Superintendent of the State Advances Office is hereby authorized to make advances to local authorities, for the purposes of any works to be undertaken pursuant to this section, out of moneys for the time being available for the purposes of the Local Authorities Branch of the said Office.

5. (1.) A local authority may, out of any loan-moneys, pay—

(a.) Any preliminary expenses incurred in connection with the scheme for which the loan was raised if the Audit Office certifies them to be reasonable and incurred in good faith and to be directly for the benefit of the scheme :

Preliminary expenses and first year's interest may be paid out of loan. 1913, No. 30, sec. 4

(b.) The first year's interest and sinking fund of the loan during the construction of any works for which any special loan is raised.

(2.) The intention to pay such expenses or interest and sinking fund shall be stated to the ratepayers in the notice referred to in section *ten* hereof in cases where that section applies.

Maintenance, &c.,
not payable out of
loan.

1913, No. 30, sec. 5

Loan-moneys may
be deposited at
bank.

Ibid., sec. 6

Application of
surplus of loan.

Ibid., sec. 7

6. It shall not be lawful to pay out of any loan the cost of maintenance or repair of any public work or undertaking for which the loan was raised.

7. (1.) The local authority may, in any case where it is deemed advisable, deposit with any bank at interest any sums of money at credit of any loan account upon such terms as the bank and the local authority agree. 5

(2.) The interest received in respect of moneys deposited under this section shall be applied by the local authority towards the payment of the interest and sinking fund of the loan. 10

8. If, on the completion of the public work for which a special loan has been or is hereafter obtained, it is found that any of the money raised is not required for the purpose for which it was raised, the money not so required shall be paid into the sinking fund or otherwise applied towards the repayment of the loan: 15

Provided that where the loan was obtained for the purpose of more than one public work, any surplus moneys remaining after the completion of one of those works may be applied in the completion of any other of the said works if the amount appropriated to that work is not sufficient for its completion. 20

Preliminary Steps to be taken.

Consent of
ratepayers to be
obtained.

Ibid., sec. 8

Publication of
proposal.

Ibid., sec. 9

9. Before raising a special loan the consent thereto of the ratepayers of the district shall be obtained by the local authority, and for that purpose the steps hereinafter directed shall be taken.

10. The local authority shall publish in any newspaper circulating in the district, once in each week for four successive weeks, a notice setting forth— 25

(a.) The particular purpose or purposes for which the loan is required:

(b.) The sum proposed to be borrowed for each such purpose: 30

(c.) The proposed security, and the provision for repayment of the loan:

(d.) A statement whether or not it is proposed to pay out of the loan the cost of raising the loan, or the interest and sinking fund for the first year. 35

How poll to be
taken.

Ibid., sec. 10

11. (1.) A poll of the ratepayers shall be taken upon the proposal.

(2.) The Chairman shall publish, not less than four times, in any newspaper circulating in the district a notice setting forth the day on which the poll shall be taken. The first publication under this section of the date of the poll shall be made not less than fourteen days before the said date, and the poll shall be taken not less than one nor more than three weeks after the day of the last publication of the notice mentioned in the *last preceding* section. 40

(3.) On the day so appointed a poll shall be taken in like manner as the same would be taken for the election of a member of the local authority, and every ratepayer shall be entitled to vote accordingly. 45

(4.) The voting-paper shall be printed, and in the form numbered (1) in the *First Schedule* hereto, and shall contain full particulars of the notice mentioned in the *last preceding* section or a statement giving the

purport and effect of that notice with the words legibly printed below in two distinct lines: "I vote for the above proposal," and "I vote against the above proposal."

12. If the total number of valid votes recorded in favour of the proposal is at least three-fifths of the total number of valid votes recorded at the poll, then, and not otherwise, the proposal shall be deemed to be carried, and the local authority may proceed with the proposal accordingly; but if the proposal is not carried, the local authority shall not so proceed:

When proposal carried.
1913, No. 30, sec. 11

10 Provided that in the case of a borough or town district a majority of the total valid votes recorded shall suffice to carry the proposal.

13. (1.) As soon as conveniently may be after the poll the Chairman shall send to the Minister, for publication in the *Gazette*, a notice of the number of votes recorded for and against the proposal, and in such notice shall declare the proposal to be carried or rejected, as the case may be.

Result of poll to be gazetted.
Ibid., sec. 12
1922, No. 4, sec. 3

(2.) A similar notice shall also be published in some newspaper circulating in the district.

20 (3.) If the proposal is carried, the notice thereof so published in the *Gazette* shall, subject to the provisions of the *next succeeding* section as to disputed polls, be conclusive evidence that the raising of the loan to which it refers is duly authorized, and that all proceedings and things under this Act in relation thereto have been lawfully taken and done.

25 (4.) If the Chairman knowingly inserts, or causes or allows to be inserted, in any notice published as aforesaid any false statement as to the number of votes recorded for and against any proposal to which such notice relates, he shall be liable to a fine not exceeding *five hundred* pounds, to be recovered summarily before a Magistrate under the Justices of the Peace Act, 1908.

30 14. (1.) If the result of any poll is disputed, any six ratepayers may, in the manner and within the time prescribed by the Local Elections and Polls Act, 1925, require an inquiry to be held, and the matter in dispute shall be determined in the manner prescribed by that Act in the case of disputed polls:

Disputed polls.
1913, No. 30, sec. 13
1922, No. 4, sec. 3

Provided that where the number of ratepayers on the roll of any district or on any special roll does not exceed twenty, then the inquiry may be held as aforesaid on the requisition of not less than one-fourth of the number of ratepayers on such roll.

40 (2.) For the purposes of this section the period of fourteen days after the declaration of the result of a poll prescribed by section fifty-eight of the Local Elections and Polls Act, 1925, shall be deemed to be the period of fourteen days after the date of the *Gazette* in which is published the notice of the result of the poll.

45 15. Where the preliminary steps for the raising of a loan have been taken with reference to any specified lender, and the raising of the loan from the said lender has been duly authorized by the ratepayers, the local authority may, without again taking the preliminary steps, raise the loan from any other lender on the same terms and conditions as those (if any) submitted to and approved by the ratepayers, or on such other terms and conditions as the Minister approves.

Loan authorized to be raised from specified lender may be raised from another lender.
1913, No. 30, sec. 14

Lapse of authority
to raise loan.
1913, No. 30, sec. 15
1921, No. 10, sec. 2

16. In any case where money is authorized by the ratepayers to be borrowed for any particular purpose and no part of such money is borrowed within five years after the taking of the poll, the authority shall lapse, and no proceedings shall thereafter be taken for borrowing the money except under the authority of another poll of the ratepayers: Provided that, in the case of an authority to borrow any moneys existing on the date of the passing of the Local Bodies' Loans Amendment Act, 1921, the period of five years limited by this section shall continue to apply but shall be deemed to have commenced to run on that date. 5 10

Poll not necessary
in certain cases.
1913, No. 30, sec. 16

17. A local authority may raise a special loan by special order, and without taking the steps described in sections *nine* to *thirteen* hereof, for any of the following purposes:—

- (a.) Repaying any overdraft or other liabilities existing at the date of the passing of the Local Bodies' Loans Act, 1913, and lawfully incurred for any purpose for which a special loan may be raised; or 15
- (b.) Paying off the whole or any part of any special loan theretofore raised; or
- (c.) Consolidating, or converting, under the provisions of Part V of this Act, the whole or any part of any special loan theretofore raised, but so that the annual charge on the district in respect of such loan is not thereby increased; or 20
- (d.) Undertaking any public work as to which the local authority is authorized by any Act to raise a special loan by special order and without taking those steps; or 25
- (e.) Any purpose for which a special loan may be raised where the ratepayers of the district, or of the part of the district affected, do not exceed one hundred in number, if the consent (in the form prescribed by regulations) of at least three-fourths of those ratepayers the capital value of whose properties as appearing on the valuation roll of the district is collectively greater than the capital value of the properties of those ratepayers who do not so consent to the raising of the loan is testified by their signatures in writing, in such manner as is prescribed by regulations. 30 35

Procedure in case
of loans under
paragraph (d) or (e)
of last preceding
section.
Ibid., sec. 17
1922, No. 4, sec. 4

18. Where it is proposed to raise a special loan under the authority of paragraph (d) or paragraph (e) of the *last preceding* section in respect of part of a district which is not a legal subdivision, the special roll of the ratepayers of that part shall be prepared, completed, and deposited, and objections thereto shall be heard and determined, in the manner prescribed by subsection *three* of section *three* hereof, save that the special roll shall be deposited for public inspection not less than seven days before any steps are taken under either of the said paragraphs. 40 45

Power to raise
supplementary
loan
1913, No. 30, sec. 18

19. (1.) If the amount of any loan authorized to be raised under this Act or under any former Act relating to local bodies' loans is found insufficient to complete the undertaking in respect of which it was raised, the local authority may, for the purpose of completing the undertaking, borrow from the same or any other lender a further sum not being greater than one-tenth of the amount originally 50

authorized by the ratepayers, and in any such case it shall not be necessary to give any notice to or take a further poll of the ratepayers.

5 (2.) A special rate shall be made by the local authority as security for the interest and other charges in respect of such further loan, and such special rate may be levied as a part of or in addition to the special rate made and levied in respect of the original loan.

Security for the Loan.

10 20. (1.) For the purpose of securing the repayment of any special loan, and the interest thereon, the local authority may appropriate and pledge as such security any one or more of the following:—

What may be pledged. 1913, No. 30, sec. 19

(a.) The work, land, building, erection, or other subject-matter of the loan, and the revenues therefrom :

15 (b.) A special rate made and levied for the purposes of that special loan :

(c.) Any other property of the local authority, and any revenues from any source, and any funds and moneys :

20 Provided that moneys received or receivable by way of grant from the Government, or theretofore pledged as security for any loan or appropriated to any special purpose, shall not be so appropriated or given in security.

(2.) The securities pledged for any special loan shall be jointly and severally liable for the whole loan.

25 (3.) The moneys secured on any public work or undertaking shall be a first charge thereon.

30 21. (1.) If the proposal to raise a special loan is carried, the local authority may forthwith, by resolution gazetted (in the form numbered (2) in the *First* Schedule hereto), make and levy a special rate to provide for the payment of interest, or interest and sinking fund, or interest and principal, as the case may be.

Special rate. Ibid., sec. 20

(2.) The provisions of this section shall also apply to a special rate made and levied in respect of a special loan to be raised under section *seventeen* hereof.

35 (3.) Every special rate shall be an annually recurring rate, and shall be payable at intervals as specified in the resolution ; and shall be levied year by year, without further proceeding by the local authority, until the loan in respect of which the special rate was made is paid off.

40 (4.) Every special rate shall be so calculated as to yield, if necessary, ten pounds per centum more than the annual or other charges in respect of the loan.

Margin of special rate.

(5.) Every special rate shall be made over an area contained within continuous boundaries, and all the rateable property within that area shall be liable to the special rate.

Special-rating area.

45 (6.) Where, after the special rate is made, any property within that area becomes rateable property within the meaning of the Rating Act, 1925, such property shall become liable to the special rate and shall be rated accordingly.

Property becoming rateable.

50 (7.) The *last preceding* subsection shall apply and be deemed to have applied to all special rates made on or after the twelfth day of October, eighteen hundred and ninety-six, and in the case of special rates made before that date shall also apply to all property which

after the first day of October, nineteen hundred and two (being the date of the coming into operation of the Local Bodies' Loans Amendment Act, 1902), became or becomes rateable property.

(8.) A special rate to provide for the payment of interest, or interest and sinking fund, upon a loan raised for the exclusive benefit of any part of a district may be made and levied as aforesaid within that part only. 5

(9.) All special rates shall be applicable to the loan as security for which they were made, and to no other purpose.

Where loan may be paid out of general fund or separate rate.

1913, No. 30, sec. 21

22. (1.) Where a special loan is secured by a special rate made over the whole of the district, the local authority may by special order decide to pay the interest, or interest and sinking fund, on such loan out of its general fund; and where a special loan is secured by a special rate made over the whole of any legal subdivision or of any defined portion of a district, the annual charges in respect of the loan may be paid out of any separate rate made over the whole of the same subdivision or portion. 10 15

(2.) Where a special loan is secured by a special rate made over portion of the district, the local authority may, with the consent of the Audit Office, by special order decide to pay the interest, or the interest and sinking fund, on the loan out of the general fund: 20

Provided that the amount of the interest, or interest and sinking fund, on any such loan so paid shall not exceed one hundred pounds in any one year.

(3.) To the extent to which the payments authorized by this section are made as therein mentioned it shall not be necessary to collect the special rate. 25

Power to amend special rate.

Ibid., sec. 22

23. (1.) The local authority making a special rate may from time to time amend the same, by increasing or diminishing it, if necessary, so that the annual produce thereof shall suffice to provide the payment of interest, or interest and sinking fund, on account of the loan secured thereon. 30

(2.) No special rate shall be diminished unless the Audit Office, previous to any such reduction, approves thereof in writing; and such reduction shall continue only for so long a period as the Audit Office approves in writing. 35

Bridges.

Power to levy bridge rate.

Ibid., sec. 23

1923, No. 45, sec. 21

(1)

24. (1.) Notwithstanding anything in the Counties Act, 1920, limiting the amount of general and separate rates which may be made in any year by County Councils, the Council of any county, if duly authorized in that behalf by a poll of the ratepayers taken in manner prescribed by this Act in the case of a proposal to raise a special loan, may by special order make and levy, in addition to the general and separate rates authorized by the aforesaid Act to be raised, a special rate, to be called a "bridge rate," for the purpose of providing funds for the reconstruction of bridges on roads under the jurisdiction of the Council, but such rate shall not in any one year exceed the amount of three farthings in the pound on the capital value of all the rateable property in the county. 45

(2.) The bridge rate may be levied on the whole county when the bridge proposed to be reconstructed is for the benefit of the county 50

generally, or the Council, if it thinks fit, may levy the rate on one or more ridings which are specially benefited by the bridge.

(3.) The proceeds of any such rate shall be paid into a separate account at the bank, to be called "The [*Name of County*] Bridge Fund Account," and a separate account thereof shall be kept by the Council.

(4.) The cost of raising the rate shall be charged against the County Fund, and no part of such Bridge Fund shall be used for any purpose save as in manner hereinafter provided.

25. (1.) Where, by reason of any accident of flood, fire, or other mischance, or on account of disrepair, it becomes necessary to renew any such bridge exceeding twenty feet in span, the Council may (without taking the steps described in sections *nine* to *thirteen* hereof) raise a loan for that purpose.

Application for loan to renew bridge.
1913, No. 30, sec. 24
1923, No. 45, sec. 21
(2)

(2.) The Bridge Fund Account of any county shall be used solely and exclusively for meeting the interest and charges on loans raised under the provisions of this section.

Loans for Public Works in Mining Districts.

26. (1.) In any case where a local authority proposes to construct a public work for the benefit of any such portion of its district as is comprised within a gold-mining district, and to raise a loan for that purpose, the following special provisions shall apply, anything in this or any other Act to the contrary notwithstanding:—

Provisions for public work and for loan.
1913, No. 30, sec. 25

(a.) For the purpose of the special rate to be made as security for the loan, all mining privileges not already rateable situate within the aforesaid portion of the district shall be deemed to be rateable property, and the holders thereof to be occupiers, within the meaning of the Rating Act, 1925, and the special rate may be made and levied thereon accordingly, as well as upon all other rateable property. The rateable value of such mining privileges means the sum which, invested at six pounds per centum per annum, would produce a yearly amount equal to the rent paid therefor by the owner or licensee to the Crown.

Mining privileges rateable.

(b.) As collateral security for the loan, and the annual or other charges in respect thereof, the local authority may pledge all the goldfield revenue (including gold duty) which during the currency of the loan may become payable to the local authority in so far as the same is derived from the aforesaid portion of the district.

Goldfields revenue may be pledged.

(2.) For the purposes of this section the Rating Act, 1925, is hereby incorporated herein:

Acts incorporated and modified.

Provided that that Act and all other Acts in conflict with this section are hereby modified to the extent of such conflict, but not further or otherwise.

Raising the Loan.

27. (1.) Every special loan under this Part of this Act shall be raised by the issue of debentures in the form numbered (3) in the *First* Schedule hereto.

Debentures.
Ibid., sec. 26
1921, No. 10, sec. 3
(1)
1922, No. 51, sec. 23

(2.) Such debentures shall be numbered consecutively, so that no two debentures shall bear the same number, and shall be for a sum of not less than twenty pounds.

(3.) Every debenture shall state on the face thereof the public work or undertaking, special rate, or other property or funds upon which the principal and interest are secured, and also the fact that the holder thereof has no claim in respect thereof upon the Government or public revenues of New Zealand.

6

(4.) All such debentures shall be signed by the Chairman and countersigned by some officer appointed by the local authority for that purpose, or shall be signed by the agents hereinafter mentioned.

(5.) It shall not be necessary to issue any such debenture under the common seal of the local authority if the debenture is signed by agents duly appointed for the raising of the loan, whether within or out of New Zealand.

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Interest and coupons.

1913, No. 30, sec. 27

28. (1.) Save as provided by section one hundred and *fourteen* hereof, the yearly interest on every debenture shall not exceed five and one-half per centum on the amount thereof, and shall be payable half-yearly or otherwise; and separate coupons for each sum so payable, in the form numbered (4) in the *First* Schedule hereto, and numbered consecutively for each debenture, shall be attached thereto.

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(2.) It shall be sufficient if the signatures of any persons to any coupon are lithographed on the coupon, or impressed thereon by means of a stamp.

20

Transfer of debentures and coupons by delivery. Ibid., sec. 28

29. (1.) Debentures and coupons respectively shall be transferable by delivery; and payment of the sum named therein to any person in possession of any such debenture or coupon shall discharge the Corporation of all liability in respect of such debenture or coupon.

25

(2.) Any debenture may also be transferred by endorsement, in or to the effect of the form numbered (5) in the *First* Schedule hereto (or by separate form of transfer to the like effect), and such transfer, or a notarially attested copy thereof, may be presented for registration in the books of the local authority at its public office.

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Transfer by endorsement.

(3.) Such transfer, or the registration thereof, shall not prevent such debenture from subsequently passing by delivery alone, or affect the right of the holder thereof for the time being to demand from the local authority payment of the moneys secured thereby in terms thereof, or his right to receive any conversion or other new debenture, or compensation in exchange therefor under any scheme for such exchange, or otherwise to deal as the owner thereof with the local authority; nor shall such transfer or registration preclude the local authority from so dealing with such holder.

35

With consent of Minister, local authority may, on application of holder of debentures, cancel them and issue consolidated debenture in lieu thereof.

1924, No. 17, sec. 5.

30. (1.) On application in that behalf by the holder of any debentures (whether issued before or after the passing of this Act), and acting with the precedent approval of the Minister, any local authority may, subject to the provisions of this section, accept the surrender of and cancel any debentures theretofore issued by it which bear the same date, have been issued for the same term, and are otherwise subject to the same terms and conditions, and may issue in lieu thereof a new debenture (herein referred to as a consolidated debenture) for the total amount represented by the debentures so cancelled:

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Provided that a consolidated debenture shall not be issued under this section unless and until the Audit Office, or an officer approved by that Office for the purpose, has certified to the cancellation of the several debentures in lieu of which the consolidated debenture is proposed to be issued.

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(2.) Such consolidated debenture shall, for taxation and other purposes, be deemed to have been issued on the date of the cancelled debentures, and shall be payable on the same date, and shall bear interest at the same rate, and shall be otherwise subject to the same terms and conditions as those debentures.

(3.) Every consolidated debenture issued under this section shall be secured in the same manner in all respects as the debentures in lieu of which it is issued, and the provisions of this Act and of any other Act applicable to such cancelled debentures shall, save as may be inconsistent with this section, apply with respect to the consolidated debenture.

(4.) Notwithstanding anything to the contrary in this Act, consolidated debentures under this section may be issued either with or without coupons in respect of interest, and where debentures are so issued without coupons the interest payable from time to time in respect of such debentures shall be paid by the local authority by cheque.

(5.) This section shall apply with respect to debentures issued by any Harbour Board as if a Harbour Board were a local authority within the meaning of this Act.

31. (1.) Where a local authority has, whether before or after the commencement of this Act, executed any debentures, it may, with the precedent consent of the Minister, cancel those debentures and issue new debentures in lieu thereof, in any of the following cases, namely :—

Local authority may in certain cases cancel debentures and issue new debentures in lieu thereof.

(a.) If the debentures proposed to be cancelled have not been disposed of and are still in the hands of the local authority or its agents ; or

(b.) If the debentures proposed to be cancelled have been disposed of by way of hypothecation or mortgage under section *thirty-four* hereof or the corresponding provisions of any Act repealed by this Act but not otherwise ; and

(i.) Such debentures have been redeemed by the local authority ; or

(ii.) The person to whom they have been so hypothecated or mortgaged, not having disposed of them under any power of sale vested in him, has consented to their cancellation under this section.

(2.) No new debentures shall be issued under this section unless and until the Audit Office, or an officer approved by that Office for the purpose, has certified to the cancellation of the debentures in lieu of which the new debentures are to be issued.

(3.) No new debentures shall be issued under this section otherwise than in conformity with the terms of the authority for the raising of the special loan or of any Order in Council issued under section *one hundred and fourteen* hereof.

(4.) This section shall apply with respect to debentures executed by any Harbour Board as if a Harbour Board were a local authority within the meaning of this Act.

32. (1.) Where any local authority has heretofore been or shall hereafter be authorized to raise a loan, whether pursuant to a poll of ratepayers or otherwise, and whether such loan has been raised in part or not, such local authority may, with the consent of the Governor-General in Council, raise such loan or any part thereof upon terms of making the same together with interest thereon repayable by instalments extending over such period of years, whether in excess of the period mentioned in the poll taken on the proposal for such loan or not, and

Local authorities may borrow moneys on terms requiring repayment by instalments.

1921, No. 5, sec. 13
1925, No. 51, sec. 23

payable at such times as may be fixed by such local authority, and may permanently appropriate and pledge for the purpose of securing such instalments any special rate already made or hereafter to be made or any part of such special rate. The consent of the Governor-General in Council shall, in so far as the lender is concerned be deemed to be conclusive evidence that the local authority was duly authorized by law to raise such loan or part thereof in accordance with the foregoing provisions of this section. 5

(2.) This section shall be deemed to confer power on a local authority, with the consent of the Governor-General in Council, to raise any loan or part of a loan upon terms providing for the repayment thereof by means of a sinking-fund policy issued under section twenty-three of the Finance Act, 1925. In any such case the interest upon the loan and the premium payable upon such sinking-fund policy shall together be deemed to constitute an instalment in terms of this section. 10 15

(3.) The authority conferred by this section shall extend to conversion loans authorized to be raised by Part V of this Act, and the provisions of that Part shall be read subject to this section.

Appointment of agents.
1913, No. 39, sec. 29

33. (1.) The local authority may appoint any incorporated company or association, or any such company or association together with one or more persons, within or out of New Zealand, to be agents for raising and managing any loan authorized to be raised under this Act. 20

(2.) Such agents shall have full power to raise such loan in such manner, and either at once or at such times and in such parts, and upon such terms and conditions, as the local authority directs, and to give or grant any discharge or quittance for the moneys raised under any such loan, and to dispose of such moneys in such manner as the local authority directs. 25

Hypothecation of debentures.
1913, No. 30, sec. 30
1921, No. 10, sec. 4
(2)

34. Pending the raising of any special loan, the local authority raising the same, or such agents as aforesaid, may borrow any sum or sums of money, not exceeding the whole amount authorized to be borrowed, by the hypothecation or mortgage of any debentures hereby authorized to be issued; but all moneys so borrowed shall be a first charge upon and shall be repaid out of the loan when raised, and the yearly rate of interest on moneys so borrowed shall in no case exceed six per centum, or such higher rate, not exceeding seven per centum, as the Minister may in any case authorize. 30 35

Provisions as to hypothecation of debentures.
Ibid., sec. 4

35. Where a local authority exercises the power of hypothecation or mortgage of debentures conferred by the *last preceding* section the following provisions shall apply and have effect:— 40

- (a.) The person lending money on the security of such hypothecation or mortgage shall be entitled to possession of the debentures hypothecated or mortgaged until his advances, interest, and charges shall have been repaid: 45
- (b.) The debentures hypothecated or mortgaged may exceed in face value by any amount the sum borrowed:
- (c.) The local authority may, by the deed or agreement of hypothecation or mortgage, confer on the lender a power of sale of all or any of the debentures hypothecated or mortgaged, and such power may be exercised by the lender in such manner and to such extent as may be provided in such deed or agreement. 50

36. All moneys raised under this Act by a local authority shall be paid into a separate account in the name of the special loan at the bank where the local fund is kept, and shall not be drawn out of such account or expended except for the special purposes of the loan as specified in the notice published under section *ten* hereof, or as specified in a special order under section *seventeen* hereof, as the case may be.

Loan-moneys to
be banked.
1913, No. 30, sec. 31

Repayment of the Loan.

37. The sum of money named in any debenture and in any coupon shall, on maturity, be a debt due to the holder thereof by the local authority that issued the same, and shall be payable at the place, within or out of New Zealand, named in the debenture, and at the time named therein, being not longer than fifty years from the issue thereof.

Term of debentures.
Ibid., sec. 32

38. Before raising any loan the local authority shall make provision for the repayment thereof, either—

Provision for
repayment.
Ibid., sec. 33

(a.) By making, with or without a sinking fund, the whole loan repayable at a stated period, or any parts thereof at stated periods ; or

(b.) By making any debentures in respect of such loan payable by periodical drawings.

39. In order to provide funds for the creation of a sinking fund, or for the repayment of debentures becoming due by periodical drawings, the local authority may permanently appropriate and also pledge any part of the local fund not prohibited by this Act from being made security for such loan.

Sinking fund.
Ibid., sec. 34

40. (1.) The local authority shall appoint Commissioners, within or out of New Zealand, to whom they shall pay all moneys so appropriated as a sinking fund or for the repayment of debentures as hereinbefore provided ; and such Commissioners shall invest such moneys, together with all interest and profits accruing therefrom, in such securities as the local authority from time to time directs.

Sinking Fund
Commissioners.
Ibid., sec. 35.
1916, No. 14, sec. 100

(2.) The local authority may, in its discretion, remove or suspend any Commissioner appointed under this section, or under the corresponding provisions of any former Act, and reappoint or reinstate him, or appoint another in his stead, and may appoint another in the place of any deceased, absent, or otherwise incapacitated Commissioner :

Provided that nothing herein shall authorize the removal or suspension of the Public Trustee as Commissioner of the sinking fund in respect of any loan raised from any Department of the Government.

(3.) The Commissioners to be appointed under this section may be interpreted to mean the Public Trustee alone, or may include any incorporated company or association, within or out of New Zealand, as one of such Commissioners.

(4.) The purchase by the Commissioners of any debenture securing repayment of any part of the loan for which a sinking fund was created shall be deemed to be an investment of the sinking fund within the meaning of this section.

(5.) Where the same persons are for the time being acting as Commissioners in respect of the sinking funds of two or more loans raised by any local authority, the Commissioners may, for the purposes of investment, deal with those funds as if they constituted one fund.

Commissioners a
corporate body.
1913, No. 30, sec. 36

41. (1.) All Commissioners appointed under the *last preceding* section shall be deemed to be bodies corporate, with perpetual succession and a common seal, and power to do and suffer all things which bodies corporate may do and suffer, and with authority for any two of such Commissioners to exercise the functions of the corporate body. 5

Vacancies.

(2.) All vacancies arising in the office of any Commissioner shall be filled as they arise by new appointments by the local authority concerned.

Public Trustee to be
Commissioner of
Sinking Funds in
cases of Government
loans.

42. (1.) Notwithstanding anything to the contrary in section *forty* hereof, no local authority shall appoint as a Commissioner of the sinking fund of any loan borrowed from any Department of the Government any person other than the Public Trustee. 10

Ibid., sec. 37
1921, No. 10, sec. 5
(1)

(2.) The *last preceding* subsection shall not apply to any loan in respect of which any person other than the Public Trustee was appointed as a Commissioner of the sinking fund before the passing of the Local Bodies' Loans Amendment Act, 1908. 15

(3.) When the Public Trustee is appointed as the Commissioner of the sinking fund of any loan raised by a local authority under this Act, he shall, notwithstanding anything to the contrary in section *forty* hereof, invest the moneys of that sinking fund in the Common Fund of the Public Trust Office, or in such other manner as may be specially authorized in that behalf by the Governor-General in Council. 20

Application of
sinking fund.
1913, No. 30, sec. 38

43. (1.) When the principal of any loan becomes payable, the accumulated sinking fund provided for repaying the same shall be applied by the Commissioners in the payment thereof. 25

(2.) In the case of periodical drawings the Commissioners shall from time to time pay out of moneys paid to them for that purpose and the accumulations thereof (if any) the amount of all debentures coming due, according to the conditions on which the loan was raised. 30

Accounts of
Commissioners.
Ibid., sec. 39

44. (1.) The Commissioners shall, whenever required, render to the local authority accounts of all moneys and all securities in their hands. 30

(2.) Immediately after the thirty-first day of March in each year the Commissioners shall render to the local authority a balance-sheet showing all transactions in respect of such moneys or securities during the year ending on that day. 35

(3.) Such balance-sheet shall be accompanied by a certificate, signed by the Audit Office or by some person appointed by that Office for the purpose, of all the securities held by the Commissioners. 40

Power to borrow to
pay interest, &c.
Ibid., sec. 40

45. The local authority may borrow money— 40

(a.) From any bank by way of overdraft in anticipation of its usual revenue applicable to the payment of interest upon any loan, and for the purpose of paying such interest, but such amount shall not at any time exceed the total amount of such income for any one year; or 45

(b.) For the purpose of paying so much of the principal of any loan when the same becomes payable as is not provided for by any accumulated sinking fund held for the payment thereof, except where the debentures are paid by periodical drawings. 50

46. (1.) Any local authority may, in anticipation of its revenue receivable under the General Account, temporarily transfer to its General Account any balance of a Loan Account, or any part thereof, for such period and on such terms as the Governor-General in Council
5 may authorize.

Local authorities, subject to conditions, may use credits in Loan Account in lieu of bank overdraft.
1920, No. 83, sec. 45

(2.) The moneys so transferred shall be deemed to be a liability of the General Account, and shall be repaid to the Loan Account from which the transfer was made within the same financial year.

(3.) The total amount so transferred shall be deemed to form part
10 of the amount which a local authority is empowered to borrow by way of bank overdraft, and shall be subject to the same limitations.

(4.) A statement of the particulars of every such transfer shall be forwarded to the Audit Office within ten days after such transfer.

(5.) The provisions of section *fifty-nine* hereof shall, with the
15 necessary modifications, apply to moneys borrowed under this section.

47. No claim of any holder of debentures or coupons secured on any public work or undertaking, special rate, or other property of a district or part thereof, under this Act, shall attach to or be paid out of the public revenues of New Zealand, or attach to or be paid by the
20 Government thereof.

Lender no claim on Government,
1913, No. 30, sec. 41

Default.

48. If the sum secured by any debenture or any coupon is not paid upon presentation thereof respectively at the place where and the time when the same is payable, or at such place at any time there-
25 after, the holder thereof may apply to a Judge of the Supreme Court, by petition in a summary way, for relief under this Act; and the Judge may, if satisfied of the truth of the matters alleged in such petition, appoint a Receiver of such part of the local fund or other property of the local authority as is liable under the provisions of this
30 Act for the payment of such debenture or coupon.

Appointment of Receiver.
Ibid., sec. 42

49. Such part of the local fund or other property of the local authority as is specified in the Judge's order, and all securities held by the local authority or by the Commissioners of Sinking Funds as an accumulated sinking fund for the repayment of that loan, shall,
35 from the date of the said order, vest in the Receiver so appointed, and shall cease to be vested in the Corporation or the said Commissioners.

Property vesting in Receiver.
Ibid., sec. 43

50. All powers for the recovery of rates, tolls, rents, or other moneys of the local authority shall, after the appointment of a Receiver and in respect of all moneys hereby vested in him, cease to be exercised by the local authority, and shall be exercised by the
40 Receiver.

Powers of Receiver.
Ibid., sec. 44

51. (1.) With respect to any property (other than money) vested in a Receiver as aforesaid, the Receiver shall have all the rights remedies, and powers conferred by law on a mortgagee for value:

Power of sale of pledged property.
Ibid., sec. 45

45 Provided that no power of sale shall be exercisable by the Receiver except upon an order of a Judge of the Supreme Court.

(2.) No public reserve, or land granted or set apart by the Crown for the use, convenience, or enjoyment of the ratepayers or inhabitants of a district, shall be sold under any power contained in or derived
50 under this Act.

52. The Receiver shall, in respect of any special rates vested in him, have the power given to the local authority to amend a special rate, as provided by section *twenty-three* hereof, but such power shall be exercised only upon an order by a Judge of the Supreme Court.

Receiver may amend rate.
Ibid., sec. 46

Receiver to give security.
1913, No. 30, sec. 47.
Application of receipts by Receiver.
Ibid., sec. 48

53. Every Receiver shall, before entering on his office, give such security for the faithful execution thereof as the Judge directs.

54. (1.) All moneys received by the Receiver shall be applied as follows, and that only under the order of a Judge of the Supreme Court :—

- (a.) In the payment of the expenses of the application and order, and other incidental proceedings :
- (b.) In the payment of such remuneration to the Receiver, and of such expenses of his office, as the Judge directs :
- (c.) In the payment of the principal and interest of the loan in respect of which the Receiver is appointed :
- (d.) The residue, after payment of the above, in payment into the local fund.

(2.) The terms of such order may be adapted to meet the case of a joint special loan.

Receiver to account
Ibid., sec. 49

55. The Receiver shall account for all such moneys in such manner as the Judge directs.

Powers of Receiver to release on payment.
Ibid., sec. 50

56. When all the principal and interest of the loan in respect of which the Receiver was appointed are paid, or at any time by an order of the Judge upon the application of the local authority, the powers of the Receiver shall cease, and shall revert in the local authority ; and in such case he shall forthwith pay any moneys in his hands into the local fund.

Clerk of local authority may be Receiver.
Ibid., sec. 51

57. With a view of avoiding unnecessary expense, the Judge, if he thinks fit, may appoint as Receiver the Clerk of the defaulting Corporation, upon such terms and conditions as the Judge thinks fit to impose.

Power to compromise with creditors.
Ibid., sec. 52

58. A local authority may agree with any creditor to extend the time for payment of any principal or interest owing by it, and may in respect of his debt issue and deliver to a creditor debentures, coupons, or other security under this Act.

Illegal Borrowing.

Liability for illegal borrowing.
Ibid., sec. 53

59. (1.) If the local authority at any time—

- (a.) Borrows any money or issues any debentures in excess of or otherwise than in accordance with the provisions of this Act in that behalf ; or
- (b.) Borrows, under this or any other Act, any moneys which the local authority is not legally bound to repay ; or
- (c.) Purports or attempts to bind the Corporation to pay any money which the Corporation is not legally bound to pay ; or
- (d.) Permits any money borrowed on special loan (other than surplus moneys as provided by section *eight* hereof) to be expended for any purpose other than that for which it was borrowed;

every member of the local authority who consents thereto shall, for each such offence, be liable to a penalty not exceeding *one hundred* pounds, to be recovered, with full costs of suit, in any Court of competent jurisdiction.

(2.) It shall be the duty of the Audit Office to institute the necessary proceedings against any member liable to any such penalty.

(3.) All costs incurred by the Audit Office in any such proceedings shall be paid out of the local fund ; and all moneys recovered for penalties and costs shall be deemed to be part of the local fund, and shall be paid over accordingly.

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60. Any member of a local authority voting against any such illegal borrowing, illegal issue of debentures, or illegal expenditure as mentioned in the *last preceding* section, may require that his vote shall be recorded on the minutes or other proceedings of such local authority accordingly.

Vote to be recorded.
1913, No 30, sec. 54

61. (1.) At any meeting at which any proposal is made for the borrowing and raising of any money on loan, or for the expenditure of money borrowed under this Act, or at which any matter incidental to such borrowing or expenditure is proposed, then, if the proposal is carried without a division being taken thereon, it shall be assumed that the voting thereon was unanimous.

Proceedings on a
division.
Ibid., sec. 55

(2.) Any member of the local authority may demand that a division be taken on any such proposal, and thereupon it shall be the duty of the Chairman or other person presiding at such meeting to make and keep a record of the votes of the members voting on such division, and to instruct the Clerk or other proper officer to enter such record on the minutes of the local authority.

(3.) If the Chairman or other such person fails to make and keep a record of the votes on any such division, or if any Clerk or other officer, being so instructed as aforesaid, fails to enter such record on the minutes as aforesaid, the Chairman, person, or Clerk so offending shall be liable to a fine not exceeding *twenty* pounds and not less than *five* pounds.

PART II.

25

JOINT SPECIAL LOANS.

62. Two or more local authorities, each of which has severally resolved to raise a special loan for an authorized purpose under Part I of this Act, and each of which has caused the steps described in sections *nine to thirteen* of Part I of this Act to be taken, may (whether the purposes for which the respective several loans have been authorized are the same or not) unite for the purpose of raising one joint special loan of a sum equal to the aggregate of the amounts of the several special loans: Provided that—

Local authorities
may unite to raise
joint special loan.
Ibid., sec. 56

(a.) The term of the currency and the rate of interest are the same for each several special loan:

(b.) Provision has been made by each such local authority for repayment of each several special loan at the same stated period by a sinking fund payable by half-yearly instalments at the same rate per centum:

(c.) No Commissioner of Sinking Funds other than the Public Trustee has been appointed in respect of any such several special loan.

63 The following procedure shall be adopted in the case of a joint special loan:—

Procedure in the
case of joint special
loans.

(a.) Each local authority shall pass a resolution that a joint special loan be raised, naming in such resolution one of such local authorities to be the agent of all the other such local authorities for all purposes in relation to the loan:

Ibid., sec. 57

(b.) The Chairman of each local authority shall send to the Minister a copy of such resolution certified by the seal of the local authority:

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- (c.) The Minister shall cause to be published in the *Gazette* a notification in the form numbered (6) in the *First Schedule* hereto that each of the several local authorities has approved the raising of a joint special loan to the amount therein defined, and has named one of such local authorities to be the agent of all the other such local authorities : 5
- (d.) The notification gazetted shall be conclusive evidence that the raising of the joint special loan has been duly authorized by the several local authorities of the amount and upon the terms thereby defined, and that the local authority named as the agent of the other local authorities has been duly authorized on behalf of such other local authorities, and that all proceedings and things under this Act in relation to the joint special loan have been lawfully taken and done. 10 15
64. In respect of a joint special loan,—
- (a.) The local authority named as agent (hereinafter in this Part of the Act termed “the principal local authority”) shall have full power and authority on its own behalf and on behalf of all the other uniting local authorities at any time after the gazetting of the notification referred to in the *last preceding* section to raise the special loan by the issue of debentures, and to receive the whole moneys resulting from the raising of the loan, and the principal local authority is hereby empowered to enter into the engagements and incur the liabilities defined in this Act. 20 25
- (b.) Every joint special loan under this Part of this Act shall be raised by the issue of debentures in the form numbered (7) in the *First Schedule* hereto.
- (c.) Such debentures shall be numbered consecutively so that no two debentures shall bear the same number, and shall be for a sum of not less than twenty pounds. 30
- (d.) Every debenture shall state on the face thereof the several public works or undertakings, special rates, or other property or funds upon which the principal and interest are secured, and also the fact that the holder thereof has no claim in respect thereof upon the Government or public revenues of New Zealand. 35
- (e.) All such debentures shall be signed by the Chairman of, and countersigned by some officer of, the principal local authority, or shall be signed by the agents appointed by the principal local authority pursuant to section *thirty-three* of Part I hereof. 40
- (f.) The principal local authority shall have power on its own behalf and as agent for every uniting local authority to appropriate and pledge, and shall be deemed by the execution of the debentures of the joint loan to have appropriated and pledged, as security for the repayment of the joint loan and the interest thereon and the sinking fund thereof, all and singular the several subject-matters, special rates, property, revenues, and moneys named in the several proposals for the several special loans submitted to the rate-payers of the several uniting local authorities as proposed to be appropriated and pledged. 45 50

Principal local
authority to raise
and receive loan.
1913, No. 30, sec. 58
1921, No. 10, secs. 3
(2), 5 (2)

Loans to be raised
by debentures.

Security for joint
loan.

- (g.) The statement on the face of each debenture for the joint special loan issued by the principal local authority, setting forth the public work or undertaking, special rate, or other property or funds of each uniting local authority upon which the principal and interest of the joint special loan, or of part thereof, are secured shall for all purposes be conclusive evidence against the principal local authority, and each uniting local authority that such public work, undertaking, special rate, or other property or funds have been duly and validly appropriated and pledged as security for the debentures of the joint special loan, or of such part of the joint special loan as is named in such statement, and shall also be conclusive and binding upon the districts of the several uniting local authorities.
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- 15 (h.) The principal local authority shall upon receipt of the net principal moneys resulting from the raising of the loan distribute the same among the uniting local authorities, including the principal local authority, *pro rata* in proportion to the amounts of the several loans authorized by the several local authorities. Distribution of loan-moneys.
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- (i.) The principal local authority shall be primarily liable to the holder of every debenture and interest coupon of the joint special loan for the punctual payment on the due date according to the tenor of such debenture or coupon of every sum thereby respectively made payable; but every other uniting local authority shall be liable to refund to the principal local authority every payment made by the principal local authority in respect of the part of the joint special loan raised for the purpose of such uniting local authority. Liability of principal local authority and of other uniting local authorities.
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- 30 (j.) The principal local authority shall have full power and authority to demand and collect from each uniting local authority payment of every instalment of interest and sinking fund upon the amount of the loans authorized by such uniting local authorities on certain dates in each year during the currency of the joint special loan, such dates to be appointed for that purpose from time to time by the principal local authority.
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- (k.) It shall be the duty of each uniting local authority other than the principal local authority to pay to the principal local authority such payments of instalments of interest and sinking funds on or before the dates so appointed.
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- (l.) The principal local authority shall be primarily liable to the Public Trustee for the due payment of every instalment of sinking fund upon the whole special loan on or before the due date for payment of such instalment.
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- (m.) The Public Trustee shall be Commissioner of the Sinking Funds. The Public Trustee shall invest the moneys of the sinking fund of the joint special loan in the Common Fund of the Public Trust Office, or in such other manner as may be specially authorized in that behalf by the Governor-General in Council.
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Application of certain provisions of Part I to joint special loans under this Part.
1913, No. 30, sec. 59

65. (1.) The following provisions of Part I of this Act have no application to a joint special loan under this Part of this Act: that is to say, paragraph (e) of section *seventeen*, sections *eighteen*, *twenty-seven*, *thirty-eight*, *forty*, *forty-one*, subsections *one* and *two* of section *forty-two*, and section *forty-four*.

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(2.) All other provisions of Part I of this Act apply to a joint special loan under this Part of this Act, subject to the following modifications:—

(a.) The word “uniting” shall for this purpose be read before the words “local authority” or “Corporation” wherever those words occur in the following sections: that is to say, sections *three*, *five*, *seven*, *ten*, *eleven*, *twelve*, *fifteen*, *seventeen*, *nineteen* to *twenty-three* inclusive, *twenty-six*, *thirty-six*, *thirty-nine*, subsection *three* of section *forty-two*, *forty-five*, *forty-eight*, *forty-nine*, *fifty*, *fifty-two*, *fifty-six*, *fifty-seven*, *fifty-nine*, *sixty*, *sixty-one*.

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(b.) In sections *twenty-nine*, *thirty-three*, *thirty-four*, and *fifty-eight* the words “the local authority” mean for this purpose “the principal local authority.”

(c.) In section *thirty-seven* the words “the local authority that issued the same” mean for this purpose “the principal local authority.”

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(3.) The principal local authority shall have the same remedies and rights against every other uniting local authority in respect of any default by such uniting local authority in payment of any principal moneys, interest, or sinking fund as are conferred upon the holders of debentures or coupons of the loan by sections *forty-eight* to *fifty-seven* inclusive of Part I of this Act.

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PART III.

LOANS TO LOCAL BODIES BY ADVANCES OFFICE.

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Purposes for which loans may be granted to local authorities by Advances Office.
Ibid., sec. 60
1919, No. 32, sec. 51
1920, No. 49, sec. 14

66. Subject to the provisions of this Part of this Act, the Superintendent is hereby authorized to lend money to any local authority empowered to borrow money by way of special loan under this Act for any of the public works following, that is to say:—

(a.) The construction of a road or street, including the channelling thereof;

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(b.) The construction of a bridge;

(c.) The construction of waterworks for the supply of water;

(d.) The construction of drainage-works or irrigation-works;

(e.) The construction of sanitary works; or

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(f.) The acquisition of land (whether with or without dwellings thereon) for the purposes of workers' dwellings and the erection of workers' dwellings pursuant to any lawful authority:

Provided that the Superintendent shall not grant to any local authority any loan which, together with all other loans granted by him to that local authority within the preceding three years, exceeds sixty thousand pounds.

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Limitation of amount of loans that may be granted.

Priority of applications
1913, No. 30, sec. 61

67. (1.) Applications for loans in cases of extraordinary damage, where a public work has been destroyed by flood, tempest, or accident

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or to carry out the terms of a prior agreement made between the Superintendent and a local authority, shall have priority over other applications.

5 (2.) If at any time the moneys for the time being available for the purposes of advances to local authorities as aforesaid are insufficient to satisfy the applications therefor, the Superintendent may, subject to the provisions of the *last preceding* subsection, give preference to local authorities applying for loans for the purpose of constructing roads and bridges in outlying districts.

10 68. (1.) Applications for loans shall be made in the prescribed manner and form, and shall be granted only pursuant to a resolution of the Board passed at a duly constituted meeting of the Board at which the application was duly considered.

Applications for loans.
1913, No. 30, sec. 62

15 (2.) An application may be granted for the amount applied for or any less sum the applicant is willing and empowered to accept.

69. Unless the Superintendent otherwise decides, every loan granted under this Part of this Act shall be paid over to the local authority within twelve months after the date of the granting of the same.

Loans to be accepted by local authority within twelve months.
Ibid., sec. 63.

20 70. All loans and advances to local authorities under this Part of this Act shall be made in the Advances to Local Authorities Branch of the Advances Office out of the funds from time to time provided in that behalf pursuant to the provisions of the State Advances Act, 1913.

Moneys to be paid out of funds provided under State Advances Act, 1913.
Ibid., sec. 64

25 71. Before granting an application for a loan the Board shall satisfy itself—

Matters to be complied with before loan granted.
Ibid., sec. 65

(a.) That the local authority is duly empowered by statute to raise the loan, and has duly taken all statutory and other proceedings necessary for that purpose :

30 (b.) That the purpose for which the loan is required is lawful and reasonable :

(c.) That, irrespective of any other security, there is the security of a special rate sufficient to meet ten per centum more than the periodical payments in respect of the loan as they fall due.

35 72. (1.) A loan shall not be granted under this Part of this Act on the security of any special rate unless—

Power to lend limited.
Ibid., sec. 66

(a.) The rateable value of so much of the rateable property as consists of Native lands or Crown lands is less than two-thirds of the rateable value of all the rateable property on which the rate is levied ; nor unless

40 (b.) The number of ratepayers on whose property the rate is levied exceeds one.

(2.) Paragraph (a) of the *last preceding* subsection does not apply in the case of—

45 (c.) Native land vested in the Native Trustee under any Act in trust for Maoris, or vested in a Maori Land Board or in the Board constituted by the East Coast Native Trust Lands Act, 1902, and occupied in each case under lease granted for a term of not less than twenty-one years, with a right of renewal and provisions for compensation for improvements ; nor in the case of

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- (d.) Land situated in a Native township and occupied under lease granted under the Native Townships Act, 1895, or under the Native and Maori Land Laws Amendment Act, 1902, for a term of not less than twenty-one years, with a right of renewal and provisions for compensation for improvements ; nor in the case of 5
- (e.) Native land occupied under lease granted by or on behalf of the Native owners for a term of not less than twenty-one years, with a right of renewal for a further term of not less than fourteen years, if at the date of the grant of the loan the unexpired term of the lease, together with the term of any renewal to which the lessee is entitled, is not less than twenty-six years : nor in the case of 10
- (f.) Crown land occupied under perpetual lease, or lease in perpetuity, or renewable lease. 15
73. A loan shall not be granted under this Part of this Act, whether on original application or on further application, for a less sum than fifty pounds. 15
74. With respect to every loan granted under this Part of this Act the following provisions shall apply :— 20
- (a.) Interest shall be charged at such rate as the Board, with the approval of the Minister, shall from time to time determine.
- (b.) The loan and interest thereon shall be repaid by half-yearly instalments over such prescribed term of years (not exceeding fifty) as may be agreed on ; the amount of the instalments in respect of interest and principal shall in every case be according to prescribed tables ; and instalments payable in respect of any loan granted under this Act or any Act repealed by this Act or by the Local Bodies' Loans Act, 1913, shall be made half-yearly, on such dates as may be agreed on by the Superintendent and the local authority : 25 30
- Provided that the loan may be sooner repaid in whole or in part on such terms as may be agreed on.
- (c.) The debentures on which the loan is granted shall be in such form as is prescribed. 35
- (d.) If, in addition to the debentures, the loan is further secured by any mortgage or charge, it shall be in such form as is prescribed, or as (subject to any prescription) the Superintendent requires. 40
- (e.) All references in Part I of this Act to the payment of interest and sinking fund shall be deemed to be references to the payment of instalments in respect of interest and principal. 40
75. (1.) In any case where a local authority is authorized by the ratepayers to borrow moneys under this Part of this Act, and the Board has provisionally approved or finally granted an application for a loan at a specified rate of interest, the loan or any part thereof may be raised at a higher rate of interest without any further consent of the ratepayers being obtained if, before the loan or such part thereof is paid to the local authority, a resolution in the prescribed form making a special rate sufficient to cover the increased payments in respect of the loan or part thereof as aforesaid is passed by the local authority at a special meeting and is gazetted. 45 50

Minimum amount of loan.

1913, No. 30, sec. 67

Rate of interest to be charged for loan.

1913, No. 30, sec. 68
1925, No. 51, sec. 16

Repayment of loan.

Local authority may raise loan at higher rate of interest than originally approved without further consent of ratepayers.

1913, No. 30, sec. 69

(2.) A local authority shall have no right of action against the Superintendent for breach of contract or otherwise in respect of the failure of the Superintendent to advance to that local authority any moneys at the rate of interest at which the application for such

5 moneys was finally granted by the Board.

76. (1.) The Minister shall, without further appropriation than this Act, in each year of the first ten years of the term of any loan granted under section seventy of the Local Bodies' Loans Act, 1913, pay out of the Consolidated Fund into the Advances Account an amount

Special provisions as to loans granted for works in outlying districts.

1913, No. 30, sec. 70

10 equal to one per centum of the amount of the loan, and in each year of the next ten years shall pay an amount equal to one-half per centum of the amount of the said loan.

(2.) The amount payable by the Minister under this section in each year in respect of any loan or a proportionate part of that amount,

15 as the case may be, shall be paid on the day or days fixed in each year for the payment of instalments of principal and interest by the local authority, and the amount so payable by the Minister shall be deducted from the amount payable by the local authority.

77. (1.) In any case where default is made by a local authority

Power of recovery in case of default.

Ibid., sec. 71

20 in the full and punctual payment of any instalment of interest or of interest and principal on a loan raised under the provisions of this Part of this Act or under the corresponding provisions of any former Act, the amount of such instalment, together with an additional charge at the rate of five per centum per annum on the amount in default,

25 shall be recoverable from the defaulting local authority as a debt due to the Crown.

(2.) A certificate under the hand of the Audit Office shall be sufficient evidence of the sums in respect of which default has been made, and, on application by the Superintendent in that behalf, the

30 Audit Office shall take all steps necessary to procure payment thereof.

(3.) In addition to such remedy, the Audit Office may be appointed a Receiver of the special rate or other security on which the loan was issued, as provided in Part I of this Act :

Audit Office may be appointed Receiver.

Provided that in such case the Receiver shall not be required to

35 give any security as mentioned in section *fifty-three* hereof.

Merger of Rating-area.

78. (1.) The merger of any area over which a special rate is made as security for a loan, or of any part thereof, or the inclusion of such area or part thereof within the district of a local authority other than

Effect of merger of rating-area.

Ibid., sec. 73

40 the local authority that made the rate, shall not affect such special rate as a security, but the same shall continue to be charged and levied upon the whole area upon which it was charged prior to such merger or inclusion, subject as hereinafter provided.

(2.) Where the whole of such area is merged or included as afore-

45 said, then the whole of the liability in respect of the loan shall upon such merger or inclusion *ipso facto* become a liability of the local authority within whose district such area is merged or included, and all the powers and authorities in connection with the loan shall be deemed to be transferred from the local authority that raised the loan

50 to the local authority within whose district such area is merged or included ; and such last-mentioned local authority shall take all such steps as may be necessary for collecting and recovering the special rate, and may, by resolution, make any further special rate or rates

55 payable with respect to the loan.

(3.) Where a transfer of liability has been made as aforesaid, whether before or after the coming into operation of this Act, all such entries as are necessary to give effect to such transfer may, with the previous consent of the Auditor, be made in the register which on the passing of this Act is kept pursuant to section ninety-three of the Local Bodies' Loans Act, 1908, or section thirty-three of the New Zealand State-guaranteed Advances Act, 1909, or section twenty-nine of the State Advances Act, 1913. 5

(4.) Where part only of such area is merged or included as aforesaid, then the whole of the liability in respect of the loan shall continue to be a liability of the local authority that raised the loan; but the Governor-General may, upon the written application of that local authority or of the Minister, by Warrant under his hand, direct that any local authority in whose district part of such area has been merged or included shall pay annually to the first-mentioned local authority during the currency of the loan, on such date as is specified, such amount as he considers a duly proportionate part of the interest and other charges payable in respect of the loan. Such proportionate part shall be calculated on the rateable value of all rateable property in the whole of such area, and in the part so merged or included, either at the time when the loan was raised or at the time when the said part was so merged or included, as may be agreed on by the local authorities, or, failing agreement, as may be determined by the Governor-General. 10 15 20

(5.) Any local authority directed to make any such annual payment shall take all such steps as may be necessary for collecting and recovering the special rate in the part of such area merged or included in its district, and may, by resolution, make any further special rate or rates over that part that may be required to meet that payment. 25

(6.) If such annual payment is not made within one month from the due date, then the local authority that raised the loan may recover the amount, with interest at five per centum per annum, in any Court of competent jurisdiction, and the amount as stated by the Governor-General shall be conclusive and binding on that Court, and it shall not be competent for that Court to question the validity of the Warrant. 30 35

(7.) In every case of merger or inclusion as aforesaid, such notices as may be prescribed by regulations shall be given to the Minister and to every local authority concerned.

(8.) The preceding provisions shall, with the necessary modifications, apply in any case where part of any such area is again merged or included in the district of another local authority. 40

(9.) In any case where a part of any such area has been heretofore merged or included as aforesaid, and no adjustment or apportionment of the liability in respect of any loan has been made in accordance with the law then in force, the Governor-General may, if he thinks fit, on the application of the Minister or of any local authority concerned, deal with the matter in accordance with subsection *four* hereof, and thereupon the provisions of this section shall apply thereto accordingly. 45

(10.) In any case where the whole or part of any such area has been heretofore merged or included as aforesaid the Governor-General may, if he thinks fit, on the written application of any local authority concerned, make any adjustments which he considers equitable, having regard to all the circumstances of the case (including the conduct in the matter of the local authorities concerned), between the local authorities concerned as regards payments in respect of the loan made 50 55

by any of such local authorities since the date of such merger or inclusion and within such period (not exceeding four years immediately preceding the commencement of the Local Bodies' Loans Act, 1913) as the Governor-General for the purposes of each particular adjustment determines, and any payment directed by the Governor-General to be made to any local authority may be recovered by it from the local authority directed to make the payment in any Court of competent jurisdiction.

(11.) The Governor-General may, for any of the purposes of this section, appoint any person or persons to be a Commission under the Commissions of Inquiry Act, 1908, with all the powers of that Act, and such Commission shall, after inquiry, report to the Governor-General its opinion on the matters referred to it, but it shall not be obligatory on the Governor-General to act in accordance with such opinion.

(12.) In every case of merger or inclusion as aforesaid, the transfer of the liability or the apportionment of the payments in respect of a loan shall be made under this section and not under the provisions of any other Act.

(13.) This section shall apply to all loans granted to local authorities under Part II of the Local Bodies' Loans Act, 1908, or the corresponding provisions of any former Act, or under the New Zealand State-guaranteed Advances Act, 1909, or under Part III of the Local Bodies' Loans Act, 1913, or under this Part of this Act.

79. (1.) The provisions of the *last preceding* section in so far as they require or provide for the appointment of a Commission under the Commissions of Inquiry Act, 1908, in respect of the transfer or apportionment of liability in respect of loans shall be obligatory in cases where the only liability to be transferred or apportioned is in respect of loans of any of the classes referred to in subsection *thirteen* of that section.

Provisions of preceding section as to apportionment of liability for loans in cases of merger extended.

1925, No. 51, sec. 44

(2.) Save as provided in the *last preceding* subsection, any award duly made pursuant to any Act in respect of the apportionment of liabilities between two or more local authorities may, according to its tenor, apply with respect to the liability for any loan of any of the classes referred to in subsection *thirteen* of the *last preceding* section.

(3.) This section shall apply with respect to awards heretofore made as well as to awards that may be made after the passing of this Act.

PART IV.

STATE-GUARANTEED LOANS.

80. When a local authority proposes to raise a special loan it may, before obtaining the consent of the ratepayers, apply to the Superintendent for a State guarantee under this Part of this Act, and thereupon the Superintendent shall refer the application to the Board for its consideration, and shall as soon as practicable forward the recommendation of the Board to the Minister for his decision.

Government guarantee of special loans.

1913, No. 30, sec. 74

81. When the consent of the ratepayers to the raising of the loan has been obtained, the Governor-General may, if he thinks fit, make and cause to be gazetted an Order in Council guaranteeing the loan or any portion of the loan, such portion to be defined in the Order in Council in such manner as the Governor-General deems sufficient.

Order in Council guaranteeing loan to be gazetted.

Ibid., sec. 75
1921, No. 10, sec. 7

On default of payment by local authority, guaranteed loan to be paid out of Consolidated Fund. 1913, No. 30, sec. 76
1921, No. 10 sec. 7

82. When any loan or portion of a loan has been so guaranteed, all principal or interest becoming payable in respect thereof shall, if and as often as any default is made by the local authority in the payment of such principal or interest, be payable by the Minister out of the Consolidated Fund without further appropriation than this Act, and every such Order in Council shall be deemed accordingly to constitute a contract between His Majesty the King in respect of the Government of New Zealand and the several holders for the time being of all debentures issued by the local authority in respect of the loan or portion of the loan. 5 10

Guaranteed loans not to exceed total of £2,000,000. 1913, No. 30, sec. 77
1921, No. 5, sec. 12 (1)

83. The total amount of principal moneys so guaranteed in any one financial year by all the Orders in Council made in that year shall not exceed the sum of two million pounds, but no guarantee shall be invalidated by any breach of this section.

Part III not applicable to guaranteed loans. 1913, No. 30 sec. 78
1921, No. 10, sec. 7

84. The provisions of Part III of this Act shall have no application to the guarantee of loans or portions of loans under this Part. 15

Local authority to make due provision for loan before guarantee. 1913, No. 30, sec. 79
1921, No. 10, sec. 7

85. No guarantee of any loan or portion of a loan shall be given under this Part of this Act unless the Minister is first satisfied that the local authority is duly empowered to raise the loan, and has duly made a special rate for the purpose of paying the interest, sinking fund, and other charges payable in respect thereof, and has taken all necessary steps to comply with the provisions of Part I of this Act. 20

Joint special loans may be guaranteed. 1913, No. 30, sec. 80

86. The provisions of this Part of this Act shall apply to a joint special loan raised under Part II of this Act in the same manner as to a loan raised by a single local authority. 25

Method of raising loans. Ibid., sec. 81
1921, No. 5, sec. 12 (2)
1921, No. 10, sec. 7

87. Every loan or portion of a loan guaranteed under this Part of this Act shall be raised by debentures in accordance with the provisions in Part I of this Act, subject to the following modifications :—

(a.) In lieu of the statement required by section *twenty-seven* hereof, that the holder of such debentures has no claim in respect thereof upon the Government or public revenues of New Zealand, every such debenture shall bear on the face thereof a certificate, signed by an officer of the Treasury Department authorized in that behalf by the Minister, to the effect that the debenture is guaranteed under this Act by the Government of New Zealand. 30 35

(b.) The interest payable on any such debenture shall not exceed such rate as the Minister may in any case approve.

(c.) Every such debenture shall be payable on the expiration of a period not exceeding in any case thirty-three years after the issue thereof. 40

Sinking funds. 1913, No. 30, sec. 82
1921, No. 5 sec. 12 (3)
1921, No. 10, sec. 5 (3), 7

88. (1.) In respect of every loan or portion of a loan guaranteed under this Act the local authority raising the loan shall establish, and at all times during the currency of the loan maintain, a sinking fund in accordance with the provisions hereinafter contained. 45

(2.) All moneys payable into the sinking fund shall be paid to the Public Trustee, who shall invest the same in the Common Fund of the Public Trust Office, or in such other manner as may be specially authorized in that behalf by the Governor-General in Council. 50

(3.) When the principal of the loan or portion of the loan becomes payable the accumulated sinking fund in the hands of the Public Trustee in respect thereof shall be applied by him in the repayment thereof.

(4.) The Public Trustee shall once in every year render an account to the local authority of all moneys in his hands to the credit of the sinking fund. 55

(5.) The amount payable into the sinking fund in respect of any loan or portion of a loan shall be such per centum per annum of the amount of the loan or portion of the loan as will, in the opinion of the Minister, be sufficient to provide for the repayment of the loan or portion of the loan on the due date, or such greater percentage as the local authority, with the approval of the Minister, from time to time determines.

(6.) The amount so payable into the sinking fund by the local authority shall be paid in the month of April in each year, the first of such payments being calculated in respect of the fraction of the financial year during which the loan had been current.

(7.) If and as often as default is made by a local authority in the payment of any sum of money into the sinking fund, that sum shall constitute a debt due to the Public Trustee by the Corporation of the local authority, and shall be recoverable by action at the suit of the Public Trustee in any Court of competent jurisdiction, or may be deducted by the Minister from any subsidy or other moneys then or thereafter becoming payable to the local authority, and the amount so deducted shall be paid by the Minister to the Public Trustee to the credit of the sinking fund.

(8.) In order to provide funds for the creation of a sinking fund in accordance with the foregoing provisions, the local authority may permanently appropriate and pledge any part of its local fund or other property not prohibited by this Act from being made security for the loan.

89. All moneys paid by the Minister on account of any guaranteed loan or portion of a loan, in consequence of the default of the local authority, shall constitute a debt due to the Crown by the Corporation of the local authority.

90. (1.) If any default is made by a local authority in the payment of the principal or sinking fund or interest of any guaranteed loan or portion of a loan, all the powers vested in a Judge of the Supreme Court by sections *forty-eight* to *fifty-seven* hereof may be exercised by him on the application of the Minister as well as on the application of the holder of any debenture in respect of which the default has been made.

(2.) All the provisions of sections *forty-eight* to *fifty-seven* hereof shall apply to any default of the local authority in repaying to the Crown any sums due in accordance with the *last preceding* section, and for the purposes of those sections all such sums shall be deemed to be part of the guaranteed loan or portion of a loan.

(3.) In respect of any sinking fund in the hands of the Public Trustee in accordance with this Act, the Public Trustee shall be deemed to be a Commissioner of Sinking Funds within the meaning of section *forty-nine* hereof.

91. (1.) For the purpose of the investment of trust-moneys, debentures issued by a local authority and guaranteed under the provisions of this Part of this Act shall be deemed to be securities issued by the Government of New Zealand within the meaning of any Act, deed, will, or settlement authorizing the investment of trust-moneys, except so far as the investment of trust-moneys on any such debentures is expressly prohibited by any such Act, deed, will, or settlement.

(2.) This section applies to any Act, deed, will, or settlement, whether passed or executed before or after the passing of this Act.

Moneys paid by Minister on account of guaranteed loan to be a debt to Crown. 1913, No. 30, sec. 83 1921, No. 10, sec. 7
Powers of Judge on default by local authority. 1913, No. 30, sec. 84 1921, No. 10, sec. 7

Investment of trust-moneys in guaranteed debentures. 1913, No. 30, sec. 85

Annual report
by Minister.
1913, No. 30, sec. 86

92. The Minister shall annually lay before Parliament, within fourteen days after the first meeting thereof, a report showing—
- (a.) What applications for guarantees under this Act have been granted to local authorities during the preceding financial year, and the several amounts so guaranteed ; 5
 - (b.) The total amount guaranteed under this Part of this Act ; and
 - (c.) What amounts (if any) have been paid during the preceding financial year on account of any guaranteed loan and in consequence of the default of any local authority. 10

PART V.

CONVERSION OF LOCAL BODIES' LOANS.

Interpretation.
Ibid., sec. 87

93. In this Part of this Act, if not inconsistent with the context,—
- “ Conversion debenture ” means a debenture authorized to be issued under this Part of this Act : 15
- “ Local Act ” means, as the case may be, the Counties Act, 1920, the Municipal Corporations Act, 1920, and any other Act for the time being in force providing for the administration of the local affairs of a district or the constitution of a Harbour Board : 20
- “ Local fund ” means the District Fund in a borough, the County Fund in a county, and the similar general fund in any other district, or of any Harbour Board.

Local authority
may convert loans.
Ibid., sec. 88

94. Subject to the provisions of this Part of this Act, any local authority, if authorized in that behalf by special order, may from time to time call in and convert any outstanding loan raised by such local authority under the authority of any Act or Ordinance other than Part III of this Act or the corresponding provisions of any former Act. 25

Creation of sinking
fund.
Ibid., sec. 89
1924, No. 17, sec. 4

95. (1.) Every local authority, before converting a loan under this Part of this Act, shall make provision for the creation, pursuant to a resolution of the local authority, of a sinking fund of not less than one per centum per annum of the amount of the converted loan. 30

(2.) For such purpose the local authority shall, out of its local fund, permanently appropriate the sum required to provide the annual contribution to the sinking fund according to the resolution creating that fund, and shall pay such sum to the Public Trustee yearly and every year during the currency of the loan, or until he is satisfied that the accumulations of sinking fund will suffice to redeem the loan at maturity. 35

(3.) The first yearly payment in respect of sinking fund shall be made to the Public Trustee by the local authority at the expiration of twelve months after the raising of the converted loan. 40

(4.) All moneys received by the Public Trustee from any local authority in respect of sinking funds shall be invested by him in the Common Fund of the Public Trust Office, and, together with all accumulations of interest, shall be held by him for the purpose for which the sinking fund was established. 45

(5.) The Public Trustee shall supply to the local authority a yearly statement showing the accretions of sinking fund.

(6.) The Public Trustee shall make no charge by way of commission for managing and investing the sinking fund.

96. For the purposes of such conversion the local authority may issue conversion debentures, to be disposed of in exchange for the 5 debentures representing the outstanding loan.

Local authority may issue debentures. 1913, No. 30, sec 90

97. Such conversion debentures may be issued to the amount of the outstanding loan, and where there is no sinking fund, then also with such further amount by way of premium or compensation as is found to be necessary in order to effect the conversion.

Amount for which debentures may be issued. Ibid., sec. 91

10 98. Nothing in this Part of this Act shall be deemed to entitle the local authority to compel the holder of any such outstanding debenture to accept payment thereof before its due date.

Outstanding holder not bound to accept payment. Ibid., sec. 92

15 99. The local authority may appoint any persons in England or elsewhere to be agents for the purpose of managing and effecting the conversion of any loans, and such agents may exercise such of the powers hereby conferred upon the local authority as the local authority prescribes.

Agents may be appointed. Ibid., sec. 93

20 100. Such agents shall also be the agents of the Sinking Fund Commissioners in respect of the sinking fund (if any) connected with the loan to be converted, and shall have full power to act generally in connection with the conversion.

Agents for Sinking Fund Commissioners Ibid., sec. 94

25 101. The holders of outstanding debentures shall be entitled to surrender the same in exchange for conversion debentures, at such rates as are agreed upon between the local authority or its agents and such holders.

Outstanding holder may exchange. Ibid., sec. 95

102. Any sum payable by way of premium or compensation in respect of such conversion shall be paid either in cash or in conversion debentures :

Payment of premium. Ibid., sec. 96

30 Provided that no conversion debenture shall be issued for a smaller sum than twenty pounds, and that any payment of a smaller sum shall be made in cash.

35 103. (1.) All sums payable in cash under the last preceding section and also all costs of issuing such conversion debentures, and all charges incident to the conversion and other operations connected therewith, shall be paid out of the sinking fund (if any) set free by such conversion ; or, if there is no sinking fund, or to the extent to which such sinking fund is insufficient, then out of the local fund.

Costs payable out of sinking fund. Ibid., sec. 97

40 (2.) The residue of the sinking fund (if any) so set free as aforesaid shall be applied as the local authority thinks fit, either towards payment of the aforesaid premium or compensation in respect of the converted loan, or in augmentation of the sinking fund to be established under this Part of this Act for the purpose of the repayment of the converted loan at maturity.

Residue of sinking fund.

45 104. (1.) All sinking fund accrued and accruing in respect of any loan shall, to the extent to which such loan is converted, be deemed to be set free for the purposes aforesaid.

Disposal of residue of sinking fund. Ibid., sec. 98

(2.) The Commissioners shall determine how much of the sinking fund in their hands is applicable to the unconverted portion of a loan, and how much thereof is from time to time set free :

50 Provided that from their determination there shall be an appeal to a Judge of the Supreme Court, whose decision shall be final.

(3.) Such appeal shall be brought by way of summons, and the Public Trustee shall sufficiently represent all interests other than those of the local authority.

Pending conversion moneys may be borrowed.

1913, No. 30, sec. 99

105. Pending the operations for converting loans and issuing the conversion debentures, the local authority may, for the purpose of carrying out the provisions hereof, obtain advances from any person to an extent not exceeding the estimated amount of sinking fund to be set free by the conversion. 5

Security for conversion debentures.

Ibid., sec. 100

106. (1.) The rates, revenue, or other securities for any loan to be converted shall, save as to so much of the sinking fund (if any) as is set free by the conversion, become the security for the conversion debentures representing so much of the loan as is converted. 10

(2.) Any local authority when converting two or more loans may consolidate them into one loan, and in such case the securities for the separate loans (other than sinking funds set free by the conversion) shall become a consolidated security for the conversion debentures representing so much of the separate loans as are converted and consolidated. 15

(3.) Nothing in this section shall prejudice the existing security for the debentures representing so much of any loan as remains unconverted. 20

Interest, form, currency, &c., of conversion debentures.

Ibid., sec. 101

107. (1.) Conversion debentures shall bear interest at a rate not exceeding five per centum per annum, and shall have a currency not exceeding fifty years.

(2.) Every debenture shall be in the form numbered (8) in the *First* Schedule hereto, and shall be signed by the Mayor or Chairman, countersigned by the Treasurer or other officer of the local authority, and sealed with the corporate seal of the local authority. 25

(3.) All debentures shall be numbered consecutively, and as between the holders thereof shall rank equally. 30

(4.) Coupons, in the form numbered (9) in the said Schedule, shall be attached to every debenture, and shall bear the same number as the debenture to which they are attached.

(5.) The signatures to coupons may be made by facsimiles thereof in lithograph or otherwise. 35

Price at which debenture may be sold.

Ibid., sec. 102
1924, No. 17, sec. 3

108. No debenture issued under this Part of this Act shall be sold at a price that will produce to the purchaser a greater interest than five per centum per annum.

Debentures, where payable.

1913, No. 30, sec. 103

109. (1.) 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. 40

Transfer.

(2.) Debentures and coupons shall be transferable by delivery and payment to any person in possession of a debenture or coupon shall discharge the local authority from all liability in respect thereof.

Poll not necessary.

Ibid., sec. 104

110. It shall not be necessary for the local authority to take any poll of the ratepayers for the purpose of consenting to the conversion or consolidation of any loan or loans or the issue of any conversion debentures, or the creation of the indebtedness consequent thereon. 45

No objection to be made to rate, &c.

Ibid., sec. 105

111. (1.) No objection shall be allowed in any Court to any rate which the local authority or a Receiver purports to strike, make, or levy under this Part of this Act. 50

(2.) 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.

112. No claim of any holder of conversion debentures or coupons shall attach to or be paid out of the public revenues of New Zealand or the Government thereof. No claim on public revenues. 1913, No. 30, sec. 106

10 113. (1.) The Governor-General may from time to time, by Order in Council gazetted, empower any local authority to inscribe all or any of its conversion debentures in the books of such bank or other corporation in New Zealand as he approves in that behalf, and to issue stock or other certificates in respect thereof. Inscription of conversion debentures. Ibid., sec. 107

15 (2.) The power conferred by this section on the Governor-General in Council may be similarly exercised by him in respect of inscription in England, in the event of such inscription being authorized by Imperial legislation.

20 (3.) For the purposes of such inscription the Governor-General in Council may from time to time make regulations prescribing the form of stock or other certificates to be issued, the form of register to be kept, and generally such other matters as he thinks necessary in order to give full effect to this Part of this Act.

25 (4.) No claim of any person in respect of any such inscribed debentures, or stock, or other certificates, or any interest thereon, or otherwise howsoever, shall attach to or be paid out of the public revenues of New Zealand or the Government thereof.

PART VI.

MISCELLANEOUS.

30 114. (1.) Notwithstanding anything to the contrary in any Act or in any rule of law, where a local authority or public body has been authorized before the passing of this Act or is hereafter authorized to borrow money, whether pursuant to a poll of ratepayers or otherwise howsoever, whether the rate of interest or the term of years of the loan was or was not specified or determined, and such money or any part thereof has not been borrowed, the local authority or public body may, with the precedent consent of the Minister of Finance, borrow such money or such amount thereof as has not been borrowed, at such rate of interest or for such term as may be prescribed by the Governor-General by Order in Council. Minister may vary, in respect of rate of interest or duration, conditions subject to which local authorities authorized to borrow moneys. 1921, No. 5, sec. 11 1921, No. 10, sec. 6 1923, No. 27, sec. 38

(2.) An Order in Council under this section may relate generally to loans authorized to be raised by local authorities or public bodies, or may relate specifically to any such loan or loans that may be therein specified.

45 (3.) The consent of the Minister of Finance under this section shall be given with respect only to such loan or loans as may be specifically referred to therein.

(4.) The powers conferred by this section may be exercised notwithstanding that debentures in respect of any moneys proposed to be

borrowed may have been executed by a local authority or public body. If any debentures so executed have been mortgaged or hypothecated by the local authority or public body, the local authority or public body shall arrange with the holders of such debentures for their redemption or for the substitution of other debentures, whether such last-mentioned debentures have been executed for the purposes of this section or not. If any such first-mentioned debentures have been issued to purchasers, the local authority or public body may repurchase all or any of the debentures so issued, or may arrange with the holders of such debentures for the exchange of such debentures for debentures executed for the purposes of this section.

(5.) An Order in Council under this section relating to any specified loan or loans shall be conclusive evidence that the local authority or public body named in such Order has complete authority of law to borrow the full amount named in the Order, and that the precedent consent of the Minister of Finance has been duly obtained, and that the local authority or public body has complied with all the requirements of this section.

Last preceding section declared to be applicable to the conversion of loans. 1924, No. 17, sec. 2

115. (1.) The *last preceding* section is hereby declared to apply, and at all times since the passing of the Finance Act, 1921, to have applied, to loans raised or to be raised for the conversion of other loans, as provided for in Part V of this Act.

(2.) The authority conferred on the Governor-General in Council by the *last preceding* section to prescribe a rate of interest shall, in the case of conversion loans, extend to enable him to prescribe a rate of interest in excess of the rate specified in section one hundred and seven or in section one hundred and eight hereof.

Moneys due under debentures may be made payable free of exchange.

116. Notwithstanding anything to the contrary in this Act, it shall be lawful for a local authority to arrange for its debentures and the interest coupons attached thereto to be cashed free of exchange at any bank or banks, and a statement to that effect may be printed on the debentures and interest coupons accordingly.

Overdue interest, &c., on debentures to be recoverable with interest thereon.

117. In any case where, after the commencement of this Act, default is made by a local authority in the full and punctual payment of any interest or of any instalment of interest and principal on a loan raised under Part I or Part II or Part V hereof, or under the corresponding provisions of any former Act, the amount in respect of which default has been so made, together with an additional charge computed at the rate of *five* per centum per annum of that amount, shall be recoverable from the defaulting local authority as a debt due to the debenture-holder.

Minister may cancel unexercised balance of loan authority not needed for undertaking.

118. In any case where the undertaking has been completed in respect of which any special loan has been duly authorized, and it has not been found necessary to borrow the whole of the amount so authorized, the Minister, after notifying the local authority in writing of his intention so to do, may, by notice in the *Gazette*, cancel the loan authority in so far as it has not been exercised, and thereupon it shall not be lawful for the local authority to borrow any further moneys pursuant to that authority.

Service of notices. 1913, No. 30, sec. 108

119. Where a notice is required by this Act to be given or published by a local authority, such notice shall be given or published in

the same manner as other notices are given or published by such local authority, unless some other mode is expressly set forth in this Act.

5 120. Where any contract, debt, or liability is entered into or incurred, or any act or thing is done or suffered by a local authority under this Act, such contract, debt, liability, act, or thing, shall for all purposes be deemed to be the contract, debt, liability, or act of the corporate body which such local authority represents.

Contract, &c., of local authority binding on Corporation. 1913, No. 30, sec. 109

10 121. Stamp duty shall not be payable in respect of any debenture or coupon issued under this Act, or of any transfer thereof respectively, or in respect of any statutory declaration required by this Act to be made by a local authority or any officer thereof.

Exemptions from stamp duty. Ibid., sec. 110

15 122. Where at any time after proceedings have been commenced or taken for raising a loan under this Act, or under the corresponding provisions of any former Act relating to local bodies' loans, it is discovered that any of the proceedings were irregular or defective, the Governor-General if satisfied that the ratepayers have not been misled, may, by Order in Council gazetted, validate such proceedings, and thereupon the validity of the proceedings or of the security for the loan shall not be questioned on the ground of such irregularity or defect.

Validation of irregularities. Ibid., sec. 111

20 123. In any case where land liable to any special rate is acquired by the Crown, the Crown shall be liable for payment of such rate for any year during which there is no occupier of the land within the meaning of the Rating Act, 1925.

Crown liable for special rates in certain cases. Ibid., sec. 112

25 124. No objection shall be allowed in any Court to any rate purporting to have been made or levied by a local authority to secure the repayment of moneys borrowed under this Act or any enactment repealed by this Act or by the Local Bodies' Loans Act, 1913; and no defence shall be heard by any Court on any claim for rates made or levied for such purposes if such defence alleges any irregularity in the proceedings for the pledging, making, or levying of such rates; nor shall any action or other proceeding be allowed by any Court for questioning the validity of such rate, or for restraining the recovery thereof.

Validity of rates not to be questioned. Ibid., sec. 113

35 125. The Governor-General may from time to time, by Order in Council gazetted, make regulations for any purpose for which regulations are contemplated by this Act.

Regulations. Ibid., sec. 114

126. (1.) The enactments mentioned in the *Second* Schedule hereto are hereby repealed.

Repeals. Ibid., sec. 115

40 (2.) All Orders in Council, orders, consents, regulations, debentures, certificates, notifications, securities, instruments, registers, records, rates, polls, and generally all acts of authority which originated under any of the said enactments and are subsisting or in force on the commencement of this Act, shall enure for the purposes of this Act as fully and effectually as if they had originated under the corresponding provisions of this Act, and accordingly shall, where necessary, be deemed to have so originated.

Savings.

45 (3.) All matters and proceedings commenced under any of the said enactments and pending or in progress on the commencement of this Act may be continued, completed, and enforced under this Act.

Provisions as to
existing loans.

(4.) With respect to special loans raised under any such enactment, or under any former Act relating to local bodies' loans, the following provisions shall apply:—

(a.) Any Sinking Fund Commissioners appointed in connection with any such special loan shall be deemed to have been appointed under this Act, and the provisions thereof shall apply to them accordingly. 5

(b.) In the case of special loans raised under the Local Bodies' Loans Act, 1886, the additional power of sale of the public work or undertaking conferred by section sixty-six of that Act, and the other provisions of such Act relating to such sale, shall continue to apply. 10

(c.) Any debenture or bond issued in respect of any such loan may be transferred as provided in section *twenty-nine* hereof.

(5.) Notwithstanding the repeal of the Local Bodies' Loans Act, 1908, the provisions of that Act (relating to the inscription of the debts of local authorities) shall continue to apply to loans which have been granted by the Minister pursuant to subsection two of section seventy thereof, but which have not been inscribed before the commencement of this Act. 15 20

Schedules.

SCHEDULES.

1913 No. 30, First
Schedule.
Section 11.

FIRST SCHEDULE.

(1.) VOTING-PAPER.

[Name of local authority.]

PROPOSAL to raise a special loan under the Local Bodies' Loans Act, 1926, upon which a poll will be taken upon the day of , 19 .

[Insert full particulars of the notice required by section 11 of that Act.]

1. I vote for the above proposal.
2. I vote against the above proposal.

N.B.—The voter must erase the line marked 2 if he wishes to vote for the proposal, or line 1 if he wishes to vote against it. The voter shall erase one or other of the said lines, and his vote shall be deemed to be given according to the one of the said lines which he leaves un erased.

Section 21.

(2.) RESOLUTION MAKING SPECIAL RATE.

IN pursuance and exercise of the powers vested in it in that behalf by the Local Bodies' Loans Act, 1926, the [Name of local authority] hereby resolves as follows:—

That, for the purpose of providing the interest and other charges on a loan of [Amount of loan], authorized to be raised by [Name of local authority] under the above-mentioned Act, for [Name the public work or works for which loan is required], the said [Name of local authority] hereby makes and levies a special rate of [State amount in the pound] upon the rateable value of all rateable property of the [Name of district or special-rating area], comprising [Name the district—e.g., the whole of the County of ; or, in the case of a special-rating area, name the ward, riding, or other statutory subdivision comprising the same ; or, if not such a subdivision, describe by its boundaries, and state the numbers of the sections and block comprising the same, and name of survey district. If the special-rating area has no specific name, refer to it as "special-rating area"]; and that such special rate shall be an annual-recurring

rate during the currency of such loan, and be payable half-yearly on the day of and the day of [or yearly on the day of] in each and every year during the currency of such loan, being a period of [State number] years, or until the loan is fully paid off.

No.

(3.) DEBENTURE.

Section 27.

[Name of local authority], of [Name of district], New Zealand.

[Here insert name or description of loan as commonly known] Loan of £ , secured on [State public work or undertaking, special rate, or other property on which loan is secured].

DEBENTURE for £ , payable at [State place of payment], on the day of , 19 , issued by the [Name of local authority], of [Name of district], New Zealand, under the Local Bodies' Loans Act, 1926.

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 [State place of payment], on or after the day of , 19 , the bearer thereof will be entitled to receive £ . Interest on this debenture will cease after the day when the payment falls due, unless default is made in payment.

This debenture bears interest at the rate of per centum per annum, payable on and in each year, on presentation of the attached coupons.

Issued under the common seal of the Corporation of [Name of local authority —e.g., the City of Wellington], the day of , 19 .

[L.S.]

A. B. Mayor [or Chairman].

[Or E. F., } Agents.
G. H., }

C.D., Treasurer [or other officer appointed for that purpose].

(4.) COUPON.

Section 28.

Debenture No. of the [Name of local authority], of [Name of district], New Zealand, issued under the Local Bodies' Loans Act, 1926, secured on [Specify the public work or undertaking, special rate, or other property on which loan secured].

ON presentation of this coupon at [State place of payment], on or after the day of , 19 , the bearer hereof will be entitled to receive £ .

A. B., Mayor [or Chairman].

[Or E.F., } Agents.
G.H., }

C.D., Treasurer [or other officer appointed to sign debentures].

(5.) TRANSFER.

Section 29.

I, , of , hereby transfer to , of , the within [or a certain] debenture [Describe debenture by name and year of loan and number] of the [Name of local authority], of [Name of district], New Zealand.

Dated this day of , 19 .

A. B., Transferor.

Signed by the said A. B. in the presence of—

C. D.,

[Address and occupation].

(NOTE.—The witness, whether in or out of New Zealand, should be a Justice of the Peace, barrister, solicitor, minister of religion, Mayor, Town Clerk, or Chairman or official of a local authority.)

Section 63.

(6.) LOCAL BODIES' LOANS ACT, 1926.—JOINT SPECIAL LOAN UNDER PART II.

NOTICE is hereby given that each of the local authorities named in the Schedule hereunder (1) has taken all the steps required to be taken under the above-named Act prior to the raising of a special loan of the amount set opposite the name of such local authority in the said Schedule, and (2) has passed a resolution as required by Part II of the above-named Act for the raising of a joint special loan of the amount of £ in union with the other said local authorities, and (3) has complied with all other conditions prescribed in the case of a joint special loan by the above-mentioned Act, and (4) has named the to be the agent of each of the other said local authorities for the purposes of the joint special loan and to be the principal local authority as defined in Part II of the said Act.

Schedule.

Names of Uniting Local Authorities.	Part of Loan raised for the Purposes of each.

Dated this day of , 19 .

Minister of Finance.

Section 64.

No. (7.) DEBENTURE.

[Name of principal local authority], of [Name of district], New Zealand.
 JOINT Special Loan of £ under Part II of the Local Bodies' Loans Act, 1926.
 Debenture for £ , payable at [State place of payment] on the day of , 19 , issued by the [Name of principal local authority] on its own behalf and as agent for and on behalf of the other local authorities hereunder named pursuant to the Local Bodies' Loans Act, 1926.

The securities for the several sums constituting together the said sum of £ are as follows :—

As to £ part thereof borrowed for the purposes of the [Naming the principal local authority]. [Here state securities appropriated and pledged for sum borrowed for purposes of the principal local authority.]

As to £ part thereof borrowed for the purposes of the [Naming the second uniting local authority]. [Here state securities appropriated and pledged for sum borrowed for second uniting local authority.]

Follow similarly stating severally sums borrowed for the purposes of each uniting local authority and the securities appropriated and pledged for the same.

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 [State place of payment], on or after the day of , 19 , the bearer thereof will be entitled to receive £ . Interest on this debenture will cease after the day when the payment falls due, unless default is made in payment.

This debenture bears interest at the rate of per centum per annum, payable on and in each year, on presentation of the attached coupons.

Issued under the common seal of the Corporation of [Name of principal local authority—e.g., the City of Wellington—for and on behalf of itself and of every other local authority named in this debenture], the day of , 19 .

[L.s.]

A. B., Mayor [or Chairman].

[Or E. F., } Agents.
 G. H., }

C. D., Treasurer [or other officer appointed for that purpose].

No. (8.) CONVERSION DEBENTURE. Section 107.
 [Name of local authority], of [Name of district], New Zealand.

Conversion Debenture, issued pursuant to Part V of the Local Bodies' Loans Act, 1926.

Conversion Loan, secured on Rates [or other security, as the case may be] of the [Name of local authority], of [Name of district], as provided by the above Act.

CONVERSION Debenture for £ , payable at on the day of , 19 , issued by the [Name of local authority], of [Name of district], 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 £ . Interest on this debenture will cease after the date when payment of the debenture falls due.

Issued under the common seal of the [Name of local authority], of [Name of district], the day of , 19 .
 [L.S.]

A. B.,
 Mayor [or Chairman, as the case may be].

C. D., Treasurer.

[Or E. F., } Agents.]
 G. H., }

(9.) COUPON. Section 107.

Conversion Debenture No. of the [Name of local authority], of [Name of district], New Zealand, issued under Part V of the Local Bodies' Loans Act, 1926, secured on rates [or other security, as the case may be] of the [Name of local authority], of [Name of district], as provided by that Act.

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

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

A. B.,
 Mayor [or Chairman, as the case may be].

C. D., Treasurer.

[Or E. F., } Agents.]
 G. H., }

SECOND SCHEDULE.

ENACTMENTS REPEALED.

- 1913, No. 30.—The Local Bodies' Loans Act, 1913.
 1916, No. 14.—The Reserves and other Lands Disposal and Public Bodies Empowering Act, 1916 : Section 100.
 1917, No. 21.—The War Legislation Act, 1917 : Section 22.
 1919, No. 32.—The Housing Act, 1919 : Section 51.
 1920, No. 49.—The Housing Amendment Act, 1920 : Section 14.
 1920, No. 83.—The Finance Act, 1920 : Section 45.
 1921, No. 5.—The Finance Act, 1921 : Sections 11, 12, 13.
 1921, No. 10.—The Local Bodies' Loans Amendment Act, 1921.
 1922, No. 4.—The Local Bodies' Loans Amendment Act, 1922 : Except sections 7 and 8.
 1922, No. 51.—The Finance Act, 1922 : Section 23.
 1923, No. 27.—The Finance Act, 1923 : Section 38.
 1923, No. 45.—The Appropriation Act, 1923 : Section 21.
 1924, No. 17.—The Local Bodies' Loans Amendment Act, 1924.
 1925, No. 51.—The Finance Act, 1925 : Section 44 and paragraph (e) of subsection (2) of section 16.