

(Mr. Ballance.)

Municipal Corporations Loans.

ANALYSIS.

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| <p>Title.
Preamble.</p> <ol style="list-style-type: none"> 1. Short Title. 2. Corporations may issue debentures under their common seal. 3. Resolution to borrow shall be published four weeks before resolution moved in Council. 4. Requisition to the Mayor for a poll of the rate-payers. Notice of poll. Form of ballot paper. 5. After poll Mayor shall publish certificate in <i>New Zealand Gazette</i> and local newspaper, after which Council may debate resolution, which if affirmed will enable borrowing. 6. Form of debentures. 7. Debentures and coupons where payable, and how signed. 8. Debentures and coupons transferable, and pay- | <p>ment to holder to discharge the Corporation.</p> <ol style="list-style-type: none"> 9. All estates rates property and effects of the Corporation to be charged with the payment of the debentures and coupons. 10. Annual payment to sinking fund. 11. Interest when to cease. 12. Mode of enforcing payment of debentures and coupons. 13. Moneys due upon debentures or coupons to be a debt of the Corporation recoverable by action. 14. No holder of debentures or coupons to have any claim upon the ordinary or other revenue of the colony or province. 15. Building or other benefit societies may invest accumulated funds. <p>Schedules.</p> |
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A BILL INTITULED

AN ACT to provide a uniform mode of Borrowing Money by Municipal Corporations in New Zealand. Title.

WHEREAS Municipal Corporations in New Zealand, constituted under the provisions of "The Municipal Corporations Act, 1867," and "The Municipal Corporations Amendment Act, 1868," are empowered under the provisions of "The Municipal Corporations Act, 1867," and are frequently empowered under the provisions of special Acts, to raise moneys for corporate purposes: And whereas it is expedient to provide a uniform mode for raising moneys by way of loan, in such sums and for such term as the Corporation of any municipality in New Zealand, constituted under the provisions of the hereinbefore recited Acts, with the approval of the ratepayers, may think fit: Preamble.

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

1. The Short Title of this Act shall be "The Municipal Corporations Loans Act, 1875." Short Title.

2. Whenever the Corporation of any municipality in New Zealand, constituted under the provisions of the hereinbefore recited Acts, shall be desirous of borrowing money for the construction of public works or other public purposes of any kind, within the limits of or appertaining to such municipality, it shall be lawful for such Corporation to issue debentures under their common seal, in the form set forth in Schedule A to this Act, and to sell the same together or in separate lots in such manner as the Corporation shall think fit, and a resolution of the Corporation authorizing the Mayor to issue such debentures shall legalize the issue thereof.

3. It shall be lawful for any member of any Municipal Council at any time to give notice of his intention to move a resolution proposing to legalize the issue of debentures by the Corporation, and in the event of the expediency of such resolution being affirmed by the Council, the Mayor shall, for the space of four weeks before the moving of such resolution, cause such proposed resolution to be published in the *New Zealand Gazette*, and in at least seven issues of one or more newspaper or newspapers published within or nearest to such municipality, and such resolution shall mention the amount proposed to be borrowed, the term of the proposed loan, and the interest and sinking fund to be paid in respect thereof.

4. In the event of a requisition to the Mayor, signed by one-fifth of the total number of the ratepayers on the roll of the ratepayers of such municipality, demanding that the opinion of ratepayers shall be taken as to the expediency of any resolution being received by the Mayor, within four weeks from the publication of such proposed resolution as aforesaid the Mayor shall forthwith publish in one or more newspaper or newspapers, published within or nearest to such municipality, a notice appointing a time and place or places for a poll of the ratepayers to be taken for and against the said proposed resolution, and the votes of the ratepayers shall be taken in accordance with the method prescribed by "The Municipal Corporations Act, 1867," for conducting the election of councillors, and the ballot papers to be used at such poll shall be in the form set forth in Schedule C to this Act, and the will of the several ratepayers voting shall be declared by the striking out of the word "Aye" or of the word "No" upon such ballot papers.

5. The result of the poll having been reported from all the polling booths to the Mayor, he shall forthwith make a certificate under his hand, in the form set forth in Schedule D to this Act, of the number of votes recorded for and against the proposed resolution, and publish such certificate in the *New Zealand Gazette*, and in one or more newspaper or newspapers published within or nearest to the said municipality, and shall at the first meeting of the Council of such municipality, either ordinary or special, after the making of such certificate, lay the said certificate before the said Council, and the said certificate shall be entered upon the minutes of the proceedings of the said Council, whereupon it shall, in case such poll shall show that a majority of the ratepayers who shall have polled are in favour of such resolution, but not otherwise, be competent for the Mayor or any Councillor to give notice of his intention to move at any future meeting of the said Council the said resolution to borrow money, and in the event of any such resolution being affirmed by a majority of the Council, and recorded in the minute book thereof, it shall be lawful for such Corporation forthwith to issue debentures in the form set forth in Schedule A to this Act, for any amount not exceeding the sum authorized, and within the term limited by the said resolution.

6. Every such debenture shall be for a sum of not less than fifty nor more than five hundred pounds, payable as to the principal sum thereby secured at the expiration of such number of years, not exceed-

corporations may
use debentures
under their common
seal.

resolution to
move shall be
published four weeks
before resolution
moved in Council.

requisition to the
Mayor for a poll of
the ratepayers.

notice of poll.

form of ballot paper.

after poll Mayor
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cate in *New Zealand
Gazette* and local
newspaper, after
which Council may
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borrowing.

form of debentures.

ing forty years, as shall be mentioned therein, computed from the date thereof, and all debentures issued for raising any specific loan shall bear the same date.

7. Every such debenture shall be payable both as to principal
5 and interest at such place or places either within or out of the Colony of New Zealand, or both, as shall be therein mentioned for that purpose, and shall bear interest at a rate not exceeding seven pounds per centum per annum from the date thereof, payable half-yearly at the same place or places as the principal money secured by such debentures;
10 and separate coupons for each half-year's interest in the form in Schedule B shall be attached to every such debenture, and each coupon shall be signed by the Mayor for the time being of the municipality in respect of which the same shall be issued, and countersigned by the Clerk of the Council of such municipality.

Debentures and coupons where payable and how signed.

8. The said debentures and coupons shall respectively be transferable by delivery, and payment to any person having possession of any such debenture of the principal sum thereby secured shall discharge the Corporation issuing the same and their successors from all liability in respect to the said principal sum, and payment to any
20 person having possession of any such coupon shall discharge the Corporation issuing the same from all liability in respect of the interest in such coupon expressed to be payable.

Debentures and coupons transferable, and payment to holder to discharge the Corporation.

9. Subject to any charges specially imposed under the provisions of any Act on that behalf upon the property or any part of the
25 property of the Corporation issuing any such debentures or coupons as aforesaid, and to any powers of sale or leasing affecting such property, and to any other special power dealing with the same or any part thereof under the provisions of any special Act affecting the same, and to the rights which may be or have been acquired by any
30 person or persons under any such Act or Acts, or under any such powers respectively, the principal and interest secured by any debentures issued under the provisions of this Act, and the payments to sinking fund hereby provided for, shall be a charge on all estates property and effects of the Corporation by whom such debentures and
35 coupons respectively shall have been issued.

All estates rates property and effects of the Corporation to be charged with the payment of the debentures and coupons.

10. The Corporation issuing any debentures under the provisions of this Act shall in every year, so long as any money secured by such debentures shall remain unpaid after paying all interest and other annual outgoings payable under the provisions of this Act, set aside
40 out of their annual revenue and by way of sinking fund an annual sum by which the accumulation thereof at interest as hereinafter mentioned shall be sufficient to provide for the repayment of the principal moneys secured by such debentures, and pay such annual sum to trustees to be from time to time named by the Governor of the
45 Colony; and it shall be the duty of such trustees from time to time to invest all sums paid to them, and all accumulations of interest arising therefrom, in the purchase of bills bonds or debentures issued by the General Government of New Zealand, or by the Government of any part of the British dominions, or of debentures issued under this Act,
50 and when the principal moneys secured by such debentures shall become payable the existing accumulation of the said sinking fund shall be applied in payment of the same.

Annual payment to sinking fund.

11. Subject to the provisions hereinafter contained, the interest on every debenture issued under this Act shall cease at the expiration
55 of the term of years named in such debenture.

Interest when to cease.

12. If any person holding a debenture issued under this Act shall tender the same for payment of the principal thereby secured at the place at which such principal is payable, at the time when such principal is payable, or at any time thereafter, and such principal shall
60 not be paid in full, or if any person holding a coupon for payment of interest on any debenture issued under this Act shall tender the same

Mode of enforcing payment of debentures and coupons.

for payment at the place at which such interest is payable, at the time when such interest is payable, or at any time thereafter, and such interest shall not be paid in full, it shall be lawful for such person to apply to the Judge of the Supreme Court of New Zealand, to whom the judicial district comprising the municipality by the Corporation of which such debenture or coupon was issued, by petition in a summary way for relief under this Act, and thereupon such Judge, upon being satisfied of the truth of the matters alleged in such petition, may order that any part of the property estates or effects of the said Corporation shall, subject however as in section six of this Act provided, be sold, in such manner and at such time or times as such Judge shall direct, and that the entire proceeds of sale shall be applied in payment first of the expenses of such application and order and of the proceedings thereon and of the sale in pursuance thereof, next in payment of the principal moneys secured by the said debentures and of the interest thereon, until all such principal and interest moneys shall have been paid, and subject thereto that the residue (if any) shall be paid to the Corporation; and such Judge may appoint a Receiver of the Revenues of the said Corporation until such sale shall have taken place, and may direct that such Receiver shall be paid out of the said revenues such remuneration as to the said Judge shall seem fit.

Moneys due upon debentures or coupons to be a debt of the Corporation recoverable by action.

13. Without prejudice to any special remedy given by this or any special Act, the principal moneys secured by every debenture issued under this Act shall, when the same shall become payable, be a debt of the Corporation to the holder or holders for the time being of such debentures, and the interest secured by every such debenture shall, when the same shall become payable, be a debt of the Corporation to the holder or holders of the coupon for such interest; and every sum of money due by such Corporation under the said provision may be recovered by action against the Corporation, and shall be payable out of any moneys from time to time applicable by law for the general purposes of the Corporation.

No holder of debentures or coupons to have any claim upon the ordinary or other revenue of the Colony or Province. Building or other benefit societies may invest accumulated funds.

14. No holder of debentures or coupons issued under the provisions of this Act shall have any claim upon the ordinary or other revenue of the Colony of New Zealand, or of any province thereof, for the payment or satisfaction of the same or any part thereof.

15. Notwithstanding anything contained in any Act relating to building or other benefit societies in New Zealand, or in the rules of any such societies to the contrary, it shall be lawful for the governing body of any such society to invest in any debenture to be issued under the provisions of this Act any accumulated funds which under the provisions of any Act relating to building or other benefit societies or any rules thereof may be invested in real or Government securities.

SCHEDULES.

Schedules.

SCHEDULE A.

FORM OF DEBENTURE.

City [*or* Borough] of . Loan of £ , No. £

Debenture for £

Payable at , on

Issued by the Corporation of the City [*or* Borough] of , New Zealand, under an Act of the General Assembly of New Zealand, intituled "The Municipal Corporations Loans Act, 1875."

N.B.—The holder of this Debenture has no claim in respect thereof upon the Government of the Colony of New Zealand, or upon the Provincial Government of the Province of , or on the revenue thereof.

ON presentation of this Debenture at , on or after the day of 18 , the bearer hereof 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.

Issued under the Seal of the Corporation, the day of , 18

Mayor.
Councillor.

SCHEDULE B.

FORM OF COUPON.

Debenture No. of the Corporation of the City [*or* Borough] of New Zealand, issued under "The Municipal Corporations Loans Act, 1875."

Due

ON presentation of this Coupon at , on or after the day of 18 , the bearer hereof will be entitled to receive £

Mayor.
Councillor.
Clerk of Council.

SCHEDULE C.

FORM OF BALLOT PAPER.

No.

Resolution at length.

Name of Municipality,
and date of Poll.

Aye.
No.

SCHEDULE D.

FORM OF CERTIFICATE OF MAYOR

I HEREBY certify that a Poll having been taken in accordance with "The Municipal Corporations Loans Bill, 1875," upon the following resolution [*Here set out resolution at length*], the result of the Poll is—

Ayes
Noes

Date.

Mayor.