

Supplementary Order Paper.

LEGISLATIVE COUNCIL.

Thursday, the 23rd Day of October, 1913.

LOCAL BODIES' LOANS BILL.

Hon. Mr. BELL, in Committee, to move the following amendments:—

Clause 3: To omit subclauses (4) and (5).

Clause 26, subclause (4): To omit all the words after "mentioned" in line 8.

Clause 29: In subclause (1), to omit from lines 39 and 40 the words "or in the case of a joint special loan, the local authorities jointly raising such loan"; and in subclause (2), to omit from line 48 and also from line 51 the words "or local authorities direct," and in each case substitute the word "directs."

Clause 35: To omit subclause (3).

Clause 77: To omit the words "subsection four of section three," and insert in lieu thereof the words "Part IA."

To insert, after Part I, the following new Part:—

PART IA.

JOINT SPECIAL LOANS.

Local authorities may unite to raise joint special loan.

I. 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 defined in sections *eight* to *twelve* 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—

- (a.) The term of the currency proposed for each several special loan is the same, if any term is named in any proposal:
- (b.) The rate of interest which it is proposed to pay in respect of any special loan has not been named in any proposal to the ratepayers, or, alternatively, that the same rate of interest has been named in every such proposal:
- (c.) 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:
- (d.) No Commissioner of Sinking Funds other than the Public Trustee has been appointed in respect of any such several special loan.

Procedure in the case of joint special loans.

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

- (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:
- (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:

- (c.) The Minister shall cause to be published in the *Gazette* a notification in the form numbered (5A) 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 :
- (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.

Principal local authority to raise and receive loan.

III. In respect of a joint special loan,—

- (a.) The local authority named as agent (hereinafter in this Part of this 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.
- (b.) Every joint special loan under this Part of this Act shall be raised by the issue of debentures in the form numbered (5B) 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 and not more than one thousand pounds.
- (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.
- (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 twenty-nine of Part I hereof.
- (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 ratepayers of the several uniting local authorities as proposed to be appropriated and pledged.
- (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

Loans to be raised by debentures.

Security for joint loan.

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.

Distribution of loan-moneys.

(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.

Liability of principal local authority and of other uniting local authorities.

(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.

(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.

(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.

(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.

(m.) No local authority shall appoint as a Commissioner of Sinking Funds any person other than the Public Trustee. 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.

Application of certain provisions of Part I to joint special loans under this Part.

IV. The following provisions of Part I of this Act shall apply, *mutatis mutandis*, to the case of joint special loans—that is to say, sections twenty-seven and twenty-eight, section twenty-nine (the words “local authority” in that section for this purpose meaning “the principal local authority”), section thirty (the words “each uniting local authority” being substituted for this purpose for the words “the local authority raising the same”), section thirty-two, section thirty-four (the words “the local authority” meaning in that section for this purpose “every uniting local authority”), subsection one of section thirty-eight (the words “the Commissioner” meaning for this purpose “the Public Trustee”), section forty-one, section forty-two (the words “every uniting local authority” being substituted for this purpose for the words “the local authority”), and sections forty-three to fifty-five inclusive.

To add to the First Schedule the following:—

FORM (5A).

Local Bodies' Loans Act, 1913.—Joint Special Loan under Part IA.

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 IA 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 IA of the said Act.

SCHEDULE.

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

Dated this day of , 191 .

Minister of Finance.

FORM (5B).

Debenture.

No. .

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

JOINT special loan of £ under Part IA of the Local Bodies' Loans Act, 1913. 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, 1913.

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 , 191 .

A.B., Mayor [*or Chairman*].

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

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