

Mr. Atmore.

CITY OF NELSON LOANS CONVERSION AND
EMPOWERING.

[LOCAL BILL.]

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A BILL INTITULED

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

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

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

No. 61—1.

Short Title.

1. This Act may be cited as the City of Nelson Loans Conversion and Empowering Act, 1913.

Interpretation.

2. In this Act, if not inconsistent with the context,—

“Conversion debenture” or “conversion debentures” means a debenture or debentures authorized to be issued by this Act for the purpose of being exchanged for an existing debenture or existing debentures: 5

“Corporation” means the Mayor, Councillors, and Citizens of the City of Nelson:

“Council” means the Nelson City Council: 10

“Existing debenture” or “existing debentures” means a debenture or debentures already issued in respect of the loans described in the *First Schedule* hereto:

“Existing debenture-holder” or “existing debenture-holders” means the holder or holders of any existing debenture or existing debentures: 15

“Special order” means a special order as defined by the Municipal Corporations Act, 1908:

“Town Clerk” means the Town Clerk for the time being of the Council, and includes any person for the time being appointed by the Council to perform the duties of Town Clerk: 20

“Treasurer” means a Treasurer appointed by the Council under the Municipal Corporations Act, 1908, and includes any person for the time being appointed by the Council to perform the duties of Treasurer. 25

Incorporation of the Local Bodies' Loans Act, 1908.

3. The Local Bodies' Loans Act, 1908, and the several Acts amending the same shall, so far as applicable and not inconsistent with this Act, be deemed incorporated in this Act.

Power to raise £200,000 loan.

4. The Council is hereby empowered by special order, without taking any of the steps described in sections seven to thirteen of the Local Bodies' Loans Act, 1908, or any amendment of such sections or any of them, to raise a special loan for a sum not exceeding two hundred thousand pounds. 30

Purposes of loan.

5. The said loan, or the debentures to be issued in respect thereof, shall be applied as follows:— 35

(a.) In repaying all amounts that shall be owing by the Council to its bankers by way of overdraft on the thirty-first day of March, nineteen hundred and *fourteen*, such amounts not to exceed in the aggregate twenty-six thousand pounds: 40

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

(c.) In providing a fund for enabling the Council to carry out any public works or undertakings. 45

Poll to determine public works.

6. Before applying any part of the said loan in carrying out any such public work or undertaking, the Council shall obtain the consent of the electors entitled to vote on proposals to raise special loans to that public work or undertaking, such consent to be given in like manner as nearly as may be as if a special loan were proposed to be raised for that public work or undertaking, and the provisions 50

of sections seven to thirteen (inclusive) of the Local Bodies' Loans Act, 1908, or any modification or re-enactment of such sections for the time being in force, shall, *mutatis mutandis*, apply accordingly.

5 7. (1.) After the repayment of the said overdraft it shall not be lawful for the Council to owe to its bankers on overdraft on its General Account at the end of any financial year any sum exceeding the amount of revenue for that year payable into that account and then outstanding and uncollected.

Restrictions of future power to overdraft.

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

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

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

Conversion debentures to be offered in exchange.

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

Holders of existing debentures may decline to exchange.

25 10. The holder of existing debentures shall be entitled to surrender the same in exchange for conversion debentures upon such terms as may be mutually arranged between themselves and the Public Trustee and approved of by the Council.

Terms of conversion.

30 11. The Public Trustee shall act as agent for the Council for the purpose of managing the said loan of two hundred thousand pounds and effecting conversions under this Act, and may appoint any person or persons or corporation in England or elsewhere as subagents for the purposes aforesaid or any of them.

Public Trustee to be agent for the loan.

12. The Council may pay to the Public Trustee such commission as may be mutually agreed upon in respect of his services in acting as such agent.

Commission to Public Trustee.

35 13. All debentures issued by the Council under this Act shall, as and when so issued, be handed by the Council to the Public Trustee, who shall hold the same in trust as regards conversion debentures to exchange the same with any holders of existing debentures who shall be willing to exchange them for conversion debentures, and to realize all conversion debentures that shall not have been so exchanged in sufficient time to allow the proceeds to be available for satisfying the principal sums secured by outstanding existing debentures at the maturity thereof respectively, or at any earlier period agreed to by the holder and the Council; and as to debentures (other than conversion debentures) issued under this Act, to realize the same as and when requested so to do by the Council, and to hand over the proceeds to the Council for application by the Council in payment off of the said overdraft and in carrying out the said public works and undertakings.

Debentures to be held and exchanged or realised by Public Trustee.

50 14. The Public Trustee may sell any debentures issued under this Act either through the London Stock Exchange or in any other manner, and at such price or prices, as he may, having regard to the

Powers of Public Trustee as to selling debentures.

condition of the money-market at the time such money is required, think fit, and he shall not be liable to the Council in damages or otherwise in respect of any such sale or for any matter or thing whatsoever arising out of or in connection with such sale. The Public Trustee shall within forty-eight hours after the same shall have been received by him pay over to the Treasurer all moneys received by him on account of the sale of debentures or otherwise, and the receipt of the Treasurer shall be sufficient discharge for the same. 5

Registration on
London Stock
Exchange.

15. The Public Trustee shall take such steps as by the rules of the London Stock Exchange may be necessary to register the said loan of two hundred thousand pounds on the London Stock Exchange. 10

Sinking fund to be
created.

16. (1.) The Council shall make provision to the satisfaction of the Public Trustee for the payment of all debentures issued under this Act at the maturity thereof by the creation of a sinking fund, of which the Public Trustee shall be sole Commissioner. 15

(2.) For such purpose the Council shall, out of its District Fund, permanently appropriate from time to time such yearly sum or sums, being a portion or portions of the special rate directed to be made by this Act, as the Public Trustee from time to time deems necessary, and shall pay such sum or sums to the Public Trustee yearly and every year during the currency of all debentures issued under this Act, or until he is satisfied that the accumulations of sinking fund will suffice to redeem all such debentures at maturity. 20

(3.) The first of such yearly payments shall be made at the expiration of twelve months from the raising of any part of the loan of two hundred thousand pounds. 25

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

Existing sinking
funds set free to
extent of conversion.

17. (1.) All sinking funds already provided in respect of any loans authorized by this Act to be converted shall, to the extent to which such loans respectively shall be converted or paid off under this Act, be set free. 30

(2.) The Public Trustee shall determine how much of any such sinking fund is applicable to the unconverted or unpaid portion of the loan, and how much thereof is from time to time set free. 35

Application of
sinking funds set
free.

18. The sinking funds so set free shall be applied as follows:—

(a.) In payment of the cost of raising the said loan of two hundred thousand pounds, including the cost of registration on the London Stock Exchange: 40

(b.) In payment of any premium in connection with raising the sum required for the said overdraft;

(c.) In payment of any sums by way of premium or compensation for effecting conversion where such premium or compensation is not provided by means of conversion debentures which the Council is hereby authorized to issue for that purpose in excess of the debentures by this Act expressly authorized to be issued: 45

(d.) In payment of all costs of issuing conversion debentures and charges incident to the conversion and other operations connected therewith; and 50

(e.) In augmentation of the sinking fund to be created under this Act.

19. (1). The Council shall, without further authority than this Act, make, strike, and levy a special rate of two shillings and two-pence in the pound on the annual rateable value of all rateable property within the City of Nelson as security for the said loan of two hundred thousand pounds, and for the payment of the interest and sinking fund in connection therewith, and any commission for managing the loan and effecting conversion.

Special rate to be struck as security for loan and for unconverted portions of existing loans.

10 (2.) The said special rate shall extend to and be a security also for all such portions of the existing loans described in the *First* Schedule hereto as for the time being shall not be converted or paid off, and for the interest on such portions of existing loans, and for the future accretions to sinking funds already created in respect of existing loans and not set free by this Act.

15 (3.) On the day fixed for the first payment of the said special rate of two shillings and twopence in the pound all special rates already made or struck as security for the existing loans described in the *First* Schedule hereto shall, by force of this Act, cease and be extinguished; and all securities over any revenues or plant, and all other securities for the said loans, shall, by force of this Act, stand and be released and discharged; and all such revenues and plant and other subject-matters of the said securities shall revert in the Corporation accordingly, and that without the necessity of any conveyance, transfer, or other instrument.

(4.) There shall be no gap or delay in payment of interest or future accretions to sinking funds in respect of the existing loans by reason of the aforesaid substitution of securities.

30 (5.) The Council shall from time to time, if and as required so to do by the Public Trustee, amend the said special rate of two shillings and twopence in the pound by increasing or diminishing it, so that the annual produce thereof shall suffice for the time being for the purposes of this Act.

35 (6.) Section one hundred and fifteen of the Local Bodies' Loan Act, 1908, shall apply to any special rate purported to be struck, made, or levied under this Act.

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

Interest, and form of debentures and coupons.

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

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

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

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

City of Nelson Loans Conversion and Empowering.

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

Price at which debenture may be sold.

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

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Payment of debentures.

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

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Transfer.

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

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Debenture-holders have no claim on Government.

24. No claim of any holder of any debenture issued under this Act, or of any coupon attached thereto, shall attach to or be paid out of the public revenues of New Zealand or the Government thereof.

Schedules.

SCHEDULES.

FIRST SCHEDULE.

Date of Loan.	Amount of Loan.	Rate of Interest.	Amount of Sinking Fund.	Repay-able in	Undertaking.	Nature of Security (Rates are on the Annual Value).
1899	£ 7,500	Per Cent. 4	Per Cent. Nil	1919	Abattoir ...	Special rate, 1½d. in the pound.
1901	1,250	4	1	1931	Tram way-purchase	Special rate, ½d. in the pound.
1902	30,000	4 and 4½	1	1922	Gasworks and waterworks	Gasworks and waterworks revenue and municipal rates.
1903	15,000	4½	Nil	1933	Waterworks ...	Special rate, 2½d. in the pound.
1905 (renewal)	4,000	4½	1½	1935	General and drainage	Special rate, 1d. in the pound.
1905	60,500	4½	Nil	1925	Drainage ...	Special rate, 11d. in the pound.
1906 (renewal)	5,900	4½	1½	1936	Gasworks and waterworks	Gasworks and waterworks plant and revenue.
1906	2,500	4½	1½	1936	Gasworks ...	Special rate, ¾d. in the pound.
1907	2,500	4½	1½	1937	Bridges - rein-statement	Special rate, ¾d. in the pound.
1912 (renewal)	4,000	4	0¾	1962	Rocks Road ...	Special rate, ¾d. in the pound.
1912	1,200	4½	1½	1942	Waterworks and land-purchase	Special rate, ¾d. in the pound.
	134,350					

SECOND SCHEDULE.

No. (1.) DEBENTURE.

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

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

LOAN of £200,000 secured on a special rate of two shillings and twopence in the pound on the annual rateable value of all rateable property within the City of Nelson.

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

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

On presentation of this debenture at , on the day of 19 , the bearer thereof will be entitled to receive pounds. Interest on this debenture will cease after the date when payment of the debenture falls due.

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

Treasurer. Mayor [or subagents appointed by the Public Trustee of New Zealand].

No. (2.) COUPON.

DEBENTURE No. , of the Nelson City Council, of the City of Nelson, New Zealand, issued under the City of Nelson Loans Conversion and Empowering Act, 1913, secured on a special rate of two shillings and twopence in the pound on the annual rateable value of all rateable property within the City of Nelson.

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

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

Treasurer. Mayor [or subagents appointed by the Public Trustee of New Zealand].