

961.

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,
25th October, 1901.

Rt. Hon. R. J. Seddon.

LOCAL BODIES' LOANS.

ANALYSIS.

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A BILL INTITULED

Title. AN ACT to enable Local Bodies to raise Moneys by way of Loan, and to empower the Government to grant Loans to such Bodies for certain Purposes.

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

Short Title. 1. The Short Title of this Act is "The Local Bodies' Loans Act, 1901."

PART I.

POWERS OF LOCAL BODIES TO RAISE LOANS.

Interpretation. 1886, No. 47, sec. 2 2. In this Part of this Act, if not inconsistent with the context,—

"Auditor" means the Controller and Auditor-General.

"Chairman" means the chief elected officer of a local authority as herein defined: 15

"District" includes a borough, county, road district, town district, drainage district, and river district constituted under any Act relating thereto respectively:

"Local authority" means the Council, Board, or other authority having power to make and levy rates in a district as herein defined: 20

"Local fund" means the county fund in a county, the Road Board fund in a road district, and the similar general fund of a town district, drainage district, or river district: 25

“ 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 :

5 “ Public work or undertaking ” includes public works of any nature, and any undertaking or purpose which a local authority is authorised 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 :

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

15 “ 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 :

“ Treasurer ” means the Colonial Treasurer of the colony for the time being, and includes any member of the Executive Council acting for him in his absence.

Power to raise Special Loan.

20 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 authorised by law. Local authority may borrow money for public work. 1886, No. 47, sec. 6

25 (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 authorising the loan, as the case may be. One loan may cover more than one purpose. Ibid, sec. 13

30 (3.) A local authority may raise a special loan for any authorised purpose in and for the benefit of some defined part of a district (whether called by any distinctive name or not), and in such case— Loan for the benefit of part of district. Ibid, sec. 12

(a.) The steps described in sections *seven to thirteen* hereof shall be limited to the part affected, and the poll shall be taken in respect of that part only ; Ibid, sec. 42

35 (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 ; Ibid, sec. 43

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

45 (4.) A local authority may unite with some one or more local authorities (which term here includes Borough Councils) in raising a joint special loan for any authorised purpose which is declared by resolution by each of the local authorities concerned to be of benefit to their respective districts, and in such case,— Joint special loans. Ibid, sec. 14

50 (d.) The steps described in sections *seven to thirteen* hereof shall be taken separately in each of the districts, according to the law in force in the districts respectively ;

- (e.) The proposal to raise the loan must be carried in each several district ;
- (f.) The provisions of this Act relating to special loans shall, so far as applicable, apply to every joint special loan raised under this section. 5
- (5.) In the case of a joint loan, the local authorities interested may agree as to the mode in which the loan shall be apportioned, and what part of the special rate shall be raised by each of them, and also which of such authorities shall have supervision and control of the public work or undertaking upon which such loan is to be expended. 10
- (6.) The local authority of any 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 authorised by the votes of the rate-payers 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. 15
4. (1.) A local authority may, out of any loan moneys, pay— 20
- (a.) Any preliminary expenses incurred in connection with the scheme for which the loan was raised, if the Auditor certifies them to be reasonable, and incurred in good faith, and to be directly for the benefit of the scheme ;
- (b.) The first year's interest of the loan, during the construction of any works for which any special loan is raised. 25
- (2.) In either case, the intention to pay such expenses or interest shall be stated to the ratepayers in the notice referred to in section *eight* hereof.
5. 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. 30
6. 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. 35

Apportionment of loan raised by joint authorities.
1886, No. 47, sec. 15

Preliminary expenses and first year's interest may be paid out of loan.

Ibid, sec. 19

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

Loan moneys may be deposited at bank.

Consent of rate-payers to be obtained.

Publication of proposal.
Ibid, sec. 33

Preliminary Steps to be taken.

7. 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. 40
8. The local authority shall publish in some newspaper circulating in the district once in each week, for four successive weeks, a notice setting forth,—
- (1.) The particular undertaking or undertakings proposed to be engaged in ; 45
- (2.) The sum proposed to be borrowed for each such purpose ;
- (3.) The proposed security, and the provision for repayment of the loan.
- (4.) A statement whether or not it is proposed to pay out of the loan the cost of raising the loan, or the interest for the first year. 50

9. (1.) A meeting of the ratepayers to consider the proposal shall be called by the Chairman, by not less than seven clear days' public notice in some newspaper circulating in the district, for a day not more than ten days after the last publication of the notice referred to in the last preceding section. Meeting of ratepayers.
1886, No. 47, sec. 34
- 5 (2.) In road districts and river districts not divided into subdivisions, and in town districts, the meeting shall be held at the time and place specified in the notice, and the Chairman shall preside thereat. Ibid, sec. 35
- 10 (3.) In road districts and river districts divided into subdivisions, and in counties, the meeting shall be held in each subdivision and riding, at the time and place specified in the notice, and some member of the local authority appointed in that behalf by the Chairman shall preside.
- 15 (4.) If the member to preside is not present, or does not preside, the meeting shall appoint its Chairman.
- 20 10. After the holding of such meeting or meetings, the Chairman may, if he thinks fit, and shall if requested by resolution passed at any such meeting, cause a poll of the ratepayers to be taken upon the proposal. Poll of ratepayers
to be taken.
- 25 11. The poll shall be taken as follows :—
- (1.) The Chairman shall publish a notice setting forth the day, not less than one nor more than three weeks from the day of the said meeting, on which the poll shall be taken. How poll to be
taken.
Ibid, sec. 37; 1900,
No. 24, sec. 5
- (2.) On that day 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.
- 30 (3.) 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 section *eight* hereof, with the words legibly printed below in two distinct lines: "I vote for the above proposal," and "I vote against the above proposal."
- 35 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: Provided that in the case of a borough a majority of the total votes recorded shall suffice to carry the proposal. When proposal
carried.
- 40 13. (1.) As soon as conveniently may be after the poll, the Chairman shall send to the Treasurer, 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.
1886, No. 47, sec. 39
- 50 (2.) A similar notice shall also be published in some newspaper circulating in the district.
- (3.) If the proposal is carried, the notice thereof so published in the *Gazette* shall be conclusive evidence that the raising of the loan to which it refers is duly authorised, and that all proceedings and things under this Act in relation thereto have been lawfully taken and done. Ibid, sec. 40
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1886, No. 47, sec. 41

(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 penalty not exceeding *five hundred* pounds, to be recovered summarily before a Stipendiary Magistrate under "The Justices of the Peace Act, 1882." 5

Poll unnecessary in certain cases.
Ibid, sec. 16

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

- (1.) Repaying any existing overdraft, or other liabilities lawfully incurred for any purpose for which a special loan may be raised; or 10
- (2.) Paying off, consolidating, or converting the whole or any part of any special loan theretofore lawfully raised, but so that the annual charge on the district in respect of such loan is not thereby increased; or 15
- (3.) Undertaking any public work as to which the local authority is authorised by any Act to raise a special loan by special order and without taking those steps; or
- (4.) 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 under this Act. 20 25 30

Ibid, sec. 21; 1900,
No. 24, sec. 3

Security for the Loan.

What may be pledged.
1886, No. 47, sec. 9

15. (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:— 35

- (a.) The work, land, building, erection, or other subject-matter of the loan, and the revenues therefrom;
- (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: 40

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. 45

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

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

Ibid, sec. 53

16. (1.) A special rate to provide for the payment of interest, or interest and sinking fund, upon any special loan shall be made and levied where necessary, by special order gazetted, in the form numbered (2) in the *First Schedule* hereto. Special rate.
1886, No. 47, sec. 24
- 5 (2.) Every special rate shall be an annually recurring rate, and shall be payable at intervals as specified in such special order; and shall be levied year by year, without further proceeding by the local authority, until the loan in respect of which such special rate was made is paid off. Ibid, sec. 25
- 10 (3.) 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.
- 15 (4.) All special rates shall be applicable to the loan for which they were authorised to be raised, and to no other purpose. Ibid, sec. 18
- (5.) A local authority may, with the consent of the Auditor, by special order, decide to pay the interest, or interest and sinking fund, on a special loan out of the general fund: Provided that the amount so paid shall not exceed *twenty* pounds in any one year.
- 20 17. (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. Power to amend
special rate.
Ibid, secs. 29, 30;
1892, No. 28, sec. 5;
1900, No. 24, sec. 4
- 25 (2.) But no special rate shall be diminished unless the Auditor, previous to any such reduction, approves thereof in writing, and such reduction shall only continue for so long a period as he approves in writing.
- Raising the Loan.*
- 30 18. (1.) Every special loan under this Act shall be raised by the issue of debentures in the form numbered (3) in the *First Schedule* hereto. Debentures.
1886, No. 47, sec. 45
- (2.) Such debentures shall be numbered consecutively, so that no two debentures bear the same number, and shall be for a sum of
- 35 not less than twenty and not more than one thousand 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 Govern-
- 40 ment or revenues of the Colony of New Zealand. Ibid, sec. 47
- (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; and in the case of a joint special loan shall be signed and counter-
- 45 signed in such manner as may be agreed on by the local authorities jointly raising the loan. Ibid, sec. 50
19. (1.) The yearly interest on every debenture shall not exceed *five* 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. Interest and
coupons.
- 50 (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.

Transfer of debentures and coupons by delivery.

1886, No. 47, sec. 49

20. (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 :

(2.) Any debenture may also be transferred by indorsement, 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 offices.

Transfer by indorsement.

21. 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.

Appointment of Agents.

Ibid, sec. 50

22. The local authority, or, in the case of a joint special loan, the local authorities jointly raising such loan, may appoint any incorporated company or association, or any such company or association together with one or more persons, within or out of the colony, to be Agents for raising and managing any loan authorised to be raised under this Act ; and such Agents shall have full power to raise such loan by debentures or otherwise, 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 or local authorities direct, 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 or local authorities direct.

Hypothecation of loan.

Ibid, sec. 51

23. 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 authorised to be borrowed, by the hypothecation or mortgage of any debentures hereby authorised 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.

Loan moneys to be banked.

Ibid, sec. 17

24. All moneys raised under this Act shall be paid into a separate account in the name of the special loan at the bank where the local funds are kept, and shall not be drawn out of such account or expended except for the special purposes of the loan.

Repayment of the Loan.

Term of debentures.

Ibid, secs. 47, 74

25. 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 the colony, named in the debenture, and at the time named therein, being not longer than *fifty* years from the issue thereof.

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

Provision for repayment.
1886, No. 47, sec. 59.

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

(2.) By making any debentures in respect of such loan repayable by periodical drawings.

27. 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

Sinking fund.
Ibid, sec. 60

10 28. (1.) The local authority shall from time to time appoint Commissioners, within or out of the colony, 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. 61

20 (2.) 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 the colony as one of such Commissioners.

25 (3.) In the case of a joint special loan, the local authorities concurring in raising the same may unite in appointing such Commissioners.

29. (1.) All Commissioners of Sinking Funds 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.

Commissioners a corporate body.

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

Vacancies.

35 30. (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.

Application of sinking fund.
1886, No. 47, secs. 61, 63

40 (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.

45 31. (1.) The Commissioners shall whenever required render the local authority accounts of all moneys and all securities in their hands.

Accounts of Commissioners.
Ibid, sec. 62

50 (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.

(3.) Such balance-sheet shall be accompanied by a certificate, signed by the Auditor, or such person as he may appoint for the purpose, of all the securities held by the Commissioners.

Power to borrow to
pay interest, &c.
1886, No. 47, sec. 52.

32. The local authority may borrow money—

(1.) 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 never at any time exceed the total 5 amount of such income for any one year; or

Ibid, sec. 64

(2.) 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 10 periodical drawings.

Lender no claim on
Government.
Ibid, sec. 54

33. 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 15 Government thereof.

Default.

Appointment of
Receiver.
Ibid, sec. 65

34. 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 20 thereafter, 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 as is liable under the provisions of this Act for the payment of such debenture 25 or coupon.

Property vesting in
Receiver.
Ibid, sec. 68

35. Such part of the local fund 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, from the date of the said order, vest in 30 the Receiver so appointed, and shall cease to be vested in the Corporation or the said Commissioners.

Powers of Receiver.
Ibid, sec. 69

36. 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 to all moneys hereby vested in him, cease to 35 be exercised by the local authority, and shall be exercised by the Receiver.

Receiver may
amend rate.
Ibid, sec. 70

37. 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 *seventeen* hereof, but such power shall be 40 exercised only upon an order by a Judge of the Supreme Court.

Receiver to give
security.
Ibid, sec. 71

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

Application of
receipts by Receiver.
Ibid, sec. 72

39. (1.) All moneys received by the Receiver shall be applied as follows, and that only under the order of a Judge of the Supreme 45 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; 50
- (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.

5 40. The Receiver shall account for all such moneys in such manner as the Judge directs. Receiver to account.

10 41. When all the principal and interest of the loan in respect of which the Receiver was appointed is 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 re-vest in the local authority; and he shall forthwith pay any moneys in his hands into the local fund. Powers of Receiver to lease on payment. 1886, No. 47, sec. 73

15 42. 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. Clerk of local authority may be Receiver. 1888, No. 41, sec. 10

20 43. Where the principal and interest of any loan is secured either wholly or in part upon any public work or undertaking, or the revenues to be derived therefrom, and default is made, the holder of such security may, without prejudice to any other remedy given by this Act, apply to a Judge of the Supreme Court in manner aforesaid for relief; and the Judge may, if satisfied of the truth of the matters alleged, order that such public work or undertaking, or such part thereof as is liable under the provisions of this Act for the payment of such money, shall be sold at such time or times and either together or in parts, and on such terms and conditions as the Judge thinks fit; and in the meantime the Judge may appoint a Receiver of the revenues derivable from such public work or undertaking: Power of sale of public work. 1886, No. 47, sec. 66

25 30 Provided that 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, and which forms part of any such security as aforesaid, shall be sold under any power contained in or derived under this Act. Public reserves protected. Ibid, sec. 67

35 44. A local authority may agree with any creditor to extend the time for payment of any principal or interest owing by it, and may issue and deliver to a creditor, in respect of his debt, debentures, coupons, or other security under this Act. Power to compromise with creditors. Ibid, sec. 75

Illegal Borrowing.

40 45. (1.) If the local authority, at any time,—
 (a.) Borrows any money or issues any debentures on the credit of the Corporation in excess of or otherwise than in accordance with the provisions of this Act in that behalf or
 45 (b.) Borrows, under this or any other Act, as on the credit aforesaid, any moneys which the Corporation 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
 50 (d.) Permits any money borrowed on special loan to be expended in any manner or for any purpose other than that for which it was borrowed and ought to be expended,—
Liability for illegal borrowing. Ibid, sec. 55

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; and

(2.) It shall be the duty of the Auditor to institute the necessary proceedings against any member liable to any such penalty. 5

(3.) All costs incurred by the Auditor 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 paid over accordingly. 10

Vote to be recorded.
1886, No. 47, sec. 56

46. Any member of a local authority voting against any such illegal borrowing, illegal issue of debentures, or 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. 15

Proceedings on a
division.
Ibid, sec. 57

47. (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. 20

(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. 25

Ibid, sec. 58

(3.) If the Chairman or other 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 penalty not exceeding *twenty pounds* and not less than *five pounds*. 30

PART II.

GOVERNMENT LOANS TO LOCAL BODIES.

35

Interpretation.

48. In this and the succeeding Parts of this Act, if not inconsistent with the context,—

1886, No. 48, secs. 2,
3; 1896, No. 30, secs.
2, 5; 1898, No. 18,
sec. 6

“District” includes a county, road district, town district, river district, water-supply district, and drainage district respectively constituted under any Act, and such other local-governing areas as the Governor, by notice in the *Gazette*, from time to time declares to be districts within the meaning of these Parts of this Act: 40

“Local authority” means the Council, Board, or other authority having power to make and levy rates in a district as herein defined: 45

“Public work” includes the following:—

(1.) A road and a tramway, the property of one or more districts;

(2.) A bridge, and the reinstatement, enlargement, or rebuilding of a bridge where it has become decayed, or is from any cause insufficient for public traffic; 50

(3.) A granary, dairy factory, or creamery

(4.) Irrigation works or works for the supply of water to a district;

(5.) Waterworks for the supply of water within a district, and for the storage and distribution of water for mining purposes, including "water-races" within the meaning of any Act relating to mining;

(6.) Drainage works for the drainage of any district or districts, or part thereof;

(7.) Sanitary works constructed under "The Public Health Act, 1900," and abattoirs;

(8.) A wharf or jetty in a navigable river or arm of the sea, works for the protection or improvement of rivers, and any works which may be performed by River Boards;

(9.) The acquisition by purchase or otherwise of a public work, or of land for the purposes thereof;

(10.) The reconstruction of a public work in the case of its total or partial destruction by fire, flood, or accident, and the widening or extension of a public work; and

(11.) Generally, all works necessary for the construction, use, protection, or control of any such public work, and all expenses of supervision in the construction of the same.

25 49. Subject to the provisions of this Part of this Act, the Treasurer is hereby authorised to lend money to any local authority empowered to borrow and raise money by way of special loan under this Act for the construction of a public work within the meaning of this Part of this Act. Treasurer authorised to lend. 1886, No. 48, sec. 5

30 50. (1.) The Treasurer shall not grant any loan under this Part of this Act on the security of any special rate unless— Power to lend limited. 1896, No. 30, sec. 7

(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

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

(2.) Paragraph (a) of the last preceding subsection shall not apply in the case of— 1898, No. 18, sec. 8

40 (c.) Native land vested in the Public Trustee under "The West Coast Settlement Reserves Act, 1892," or any other Act, in trust for Natives, and occupied under lease granted for a term of not less than twenty-one years with right of perpetual renewal, and provision for compensation for improvements; nor in the case of

45 (d.) Crown land occupied under perpetual lease or lease in perpetuity.

50 51. Before granting any loan the Treasurer shall be satisfied that the local authority is duly empowered to raise money by way of special loan for the construction of a public work, and has made a special rate for the purpose of paying the interest and other charges thereon, and has taken all necessary steps to comply with the provisions of Part I. of this Act. Preliminaries to loan. 1886, No. 48, sec. 6

Auditor-General
may advise as to
security.
1886, No. 48, sec. 7

52. The Treasurer may, in his discretion, refer any application for a loan, with particulars of the security offered thereon, to the Controller and Auditor-General, and may require him to advise as to the sufficiency of such security.

Where security
insufficient.
1892, No. 33, sec. 4

53. Where the amount estimated to be collected by any special rate offered as a security for a loan under this Part of this Act is less than the amount required for interest and other charges on the loan, and falls short of the security required in respect of the loan, the Treasurer may lend such reduced sum as in his opinion is sufficiently secured by the special rate aforesaid. 5

What funds avail-
able.
1886, No. 48, sec. 2

54. The moneys to be lent or advanced to a local authority shall be paid out of such funds as are in the control of the Treasurer by virtue of Part III. of this Act, and the local authority shall from time to time do all acts and things and execute all instruments necessary to give effect to this Act. 10

Agreement as to
loan.
Ibid, sec. 10

55. The Treasurer may enter into an agreement with a local authority for all or any of the purposes following, and may from time to time modify or alter any such agreement:— 15

- (1.) He may agree to make a loan in one sum, or to lend a part of such sum in one financial year and another part in the next succeeding or a subsequent year; or 20
- (2.) He may agree to make advances to the local authority of such sums on account of such loan, and at such time or times as are agreed on.

When loan deemed
to be made.
1887, No. 22, sec. 2

56. A loan shall be deemed to be made when the local authority has complied with all necessary formalities under this Act in respect thereof, and the Treasurer has agreed to make the loan. 25

Treasurer to render
account.
1886, No. 48, sec. 11;
1887, No. 22, sec. 2

57. (1.) Where advances have been made to a local authority on account of a loan, the Treasurer shall, as soon as may be after the thirty-first day of January in each year, render an account thereof to the local authority, and the amount of all such advances shall bear interest at the rate of four pounds per centum per annum from the date on which the loan was deemed to be made until the thirty-first day of January next following. 30

(2.) Where the amount so advanced or any part thereof is a fraction of fifty pounds, such fraction may, if the loan is not completed in that year, be carried on to the next year, and treated as part of the advances to be made in the year to which it is carried forward. 35

Part of loan not
taken up may be
carried forward.
1886, No. 48, sec. 14

58. If any part of a loan agreed to be taken by a local authority in any one year is not so taken, the same may be carried on to the next or any subsequent year, and may then be taken as agreed between the Treasurer and the local authority. 40

Rate of interest.
1899, No. 26, sec. 2

59. (1.) The yearly rate of interest, and the period during which the interest is payable by the local authority, shall, at the option of the local authority, be— 45

- (a.) Four and a half per centum per annum for a period of twenty-six years; or
- (b.) Four per centum per annum for a period of thirty-two years; or
- (c.) Three and a half per centum per annum for a period of forty-one years. 50

(2.) Such option shall be exercised by the local authority in its application for the loan. 1899, No. 26, sec. 3

(3.) Subject to the provisions of the next succeeding section, the interest payable in respect of every existing loan the period of which is twenty-six years shall be computed at the rate of four and a half per centum per annum. 1900, No. 41, sec. 2

(4.) At the expiration of the period during which interest is payable the liability of the local authority shall cease without further payment.

10 60. The provisions of the last preceding section may be applied to any existing loan, in the manner and subject to the conditions following, that is to say:— Readjustment of loan. 1899, No. 26, sec. 4; 1900, No. 41, sec. 3

15 (1.) The local authority may at any time, by special order, readjust the loan under such one of paragraphs (b) or (c) of subsection *one* of that section as is specified in that behalf in the special order.

(2.) The readjustment shall take effect on the first day of February or on the first day of August next following the date on which the special order is passed.

20 (3.) Forthwith upon the taking-effect of the readjustment, the original liability of the local authority in respect of interest accruing thereafter shall be deemed to be readjusted, by substituting therefor a liability to pay interest at the reduced yearly rate and for the unexpired residue of the period specified in that behalf in the special order.

(4.) Such period shall be deemed to have commenced at the date of the commencement of the original period.

30 (5.) The special rate may be made and levied of such amount and for such period as is necessary for the payment of interest during the extended period of the loan.

35 61. If, on the completion of the public work for which any loan is obtained, it is found that all the money lent is not required for the purpose for which it was borrowed, then the money not so required shall be repaid to the Treasurer. Surplus of loan to be returned to Treasurer. 1886, No. 48, sec. 15

40 62. Where a special loan is obtained for the purpose of more than one public work, the Treasurer may authorise any surplus money remaining after the completion of one of such works to be applied to the completion of any other of the said works, in case the amount appropriated to such work is not sufficient for its completion. Surplus when loan for more than one purpose. 1892, No. 33, sec. 3

45 63. The Treasurer shall from time to time give notice in the *Gazette*, and in such other manner as he thinks expedient, of the date on which he will be prepared to consider applications from local authorities for loans under this Act. Notice to be given when applications will be considered. 1886, No. 48, sec. 16

50 64. Applications for loans in cases of extraordinary damage, where a public work has been destroyed by flood, tempest, or accident, or to carry out the terms of a prior agreement made between the Treasurer and a local authority as hereinbefore authorised, shall have priority over other applications made under this Act. Priority of applications. Ibid, sec. 17.

55 65. If at any time there are not sufficient funds available under this Act to enable the Treasurer to make loans to all the local authorities that have applied for them, the Treasurer shall (but subject to the terms of the last preceding section) grant such applications *pro rata*: Where funds available insufficient. Ibid, sec. 18.

Provided that if the amount allotted *pro rata* to any local authority is considered by such authority inadequate to commence the public work for which the loan is required, the Treasurer may agree with the local authority to hold over such amount for its use until the next succeeding year, when the same shall be available in addition to any sum which such authority may then be entitled to or make application for. 5

Grounds on which loan may be refused. 1886, No. 48, sec. 19

66. (1.) The Treasurer shall refuse to grant loans under this Act only upon one or more of the grounds following :—
(a.) That the applicants have not complied with the terms of this Act ; or 10

(b.) That there is no money then available ; or

(c.) That the security is not sufficient.

(2.) Fresh application for a loan may be made at any time.

Ibid, sec. 20

(3.) The statement of the Treasurer in respect of any application, that this Act has not been complied with, or that no money is available, or that the security is not sufficient, shall be conclusive ; and no such statement shall be questioned, or be the subject of legal proceedings at the instance of any local authority, or of any person, in any Court of judicature. 15 20

Limit of loan to various local authorities.

Ibid, sec. 13 ;
1892, No. 33, sec. 2 ;
1896, No. 30, sec. 3 ;
1898, No. 18, sec. 7

67. The Treasurer shall not lend or agree to lend in any one year, to any of the local authorities hereinafter mentioned, a larger sum than that set opposite the name of each local authority, that is to say,—

To a County Council a sum exceeding six thousand pounds ; 25

To a Road Board a sum exceeding three thousand pounds ;

To a Town Board a sum exceeding three hundred pounds ;

To a River Board a sum exceeding five thousand pounds ;

To the Board or Trustees of a drainage district a sum exceeding three thousand pounds ; 30

To the local authority of a water-supply district a sum exceeding three thousand pounds ; or

To the local authority of any district declared by the Governor to be a district within the meaning of this Part of this Act a sum exceeding the amount fixed by the Governor as the maximum amount to be lent, in no case exceeding three thousand pounds : 35

Provided that the Treasurer may agree with any local authority to lend it any sum not exceeding the amounts above specified in each of two successive years : 40

Provided also that no loan exceeding one thousand pounds shall be granted to a River Board unless the plans of the public work for which the loan is required have been submitted to and approved by the Minister for Public Works.

Further application where loan insufficient. 1886, No. 48, sec. 21

68. (1.) If the moneys granted are found insufficient to complete the public work in respect of which application is made, a further application may be made by the local authority, and may be granted by the Treasurer if money is then available and the expenditure contemplated is covered by the previous consent of the ratepayers of the district. 45 50

Ibid, sec. 22

(2.) Where the amount required on such further application is not greater than ten per centum of the sum originally authorised

by the ratepayers to be borrowed, such further application may be granted by the Treasurer.

(3.) In any such case it shall not be necessary to give any notice to or take a further poll of the ratepayers; and a special rate may be made by the local authority as security for the interest and other charges in respect of such further loan.

(4.) Such last-mentioned special rate shall be deemed to be and may be levied as a part of or in addition to the special rate made and levied in respect of the original loan.

10 69. The minimum amount of any loan granted or agreed to be granted under this Part of this Act, whether on original application or on further application, shall in no case be less than fifty pounds.

No loan less than £50.
1899, No. 26, sec. 6

15 70. (1.) The Treasurer may from time to time, if he thinks fit, accept from any local authority the repayment in whole or in part of any loan raised by it under this Part of this Act, notwithstanding that the period for which the loan was raised has not expired, or that the public work for which it was raised has not been completed.

Repayment of loan before due.
1896, No. 30, sec. 8

(2.) In any case of repayment of principal under this section a duly proportionate adjustment of interest shall be made.

20 71. (1.) In any case where default is made by a local authority in the full and punctual payment of any interest on a loan raised under this Part of this Act, the amount of such interest, together with an additional charge at the rate of five per centum per annum on the amount in default, shall be recoverable from the defaulting local authority as a debt due to the Crown.

Power of recovery in case of default.
Ibid, sec. 9

25 (2.) A certificate under the hand of the Auditor shall be sufficient evidence of the sums payable in respect of such interest and additional charge, and, on application by the Treasurer in that behalf, the Auditor shall take all steps necessary to procure payment thereof.

30 72. In addition to such remedy, the Auditor 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.

Auditor may be appointed Receiver.
1886, No. 48, sec. 24

PROVISIONS IN PARTICULAR CASES.

35 *Opening up Land for Settlement.*

40 73. (1.) Out of the moneys authorised by this Act to be borrowed for the purpose of making loans to local authorities, the Treasurer may issue and apply from time to time such sum or sums, not exceeding fifty thousand pounds in the whole, as are appropriated by Parliament for the purpose of opening up blocks of land for settlement by the formation or construction of roads or bridges within or to afford access to such blocks, either before or after the sale or other disposal thereof.

Making roads through unsold lands.
1891, No. 27, sec. 2;
1896, No. 30, sec. 11

45 (2.) All such money shall be expended under the authority of the Minister of Lands.

(3.) Before any such money is expended upon any block of land, it shall be necessary that the said block of land shall be proclaimed as set apart for settlement.

50 (4.) The provisions of this Part of this Act shall, so far as the same are applicable, apply to loans granted under this section.

(5.) Nothing herein shall be deemed to apply to land acquired under "The Land for Settlements Consolidation Act, 1900."

Surveyor-General to report on proposed works.

1891, No. 27, sec. 3

74. (1.) Where, in the opinion of the Minister of Lands, it is advisable to expend moneys in the opening-up of any such block by roads, the Surveyor-General shall report to the Minister 5 on the value of the block, and on the works necessary to form such roads and bridges, and furnish an estimate of the cost of such works; and the sum expended in respect of any such block shall in no case be in excess of one-half the value of the land therein.

Ibid, sec. 4

(2.) Any sum or sums so expended in respect of any block of 10 land shall be a first charge on and shall be refunded from the proceeds of the sale or other disposal of the lands therein.

(3.) The Governor in Council may, from time to time, make regulations under this section providing for the times at which and the proportions in which all such expenditure, together with the 15 interest thereon at the rate of four and a half per centum per annum, shall be refunded in respect of lands disposed of for cash, or on deferred payment, perpetual lease, or in any other manner.

Statement to be laid before Parliament.

Ibid, sec. 5

75. There shall be prepared and laid before Parliament, within 20 fourteen days after the first sitting-day next after the end of each financial year, a statement showing the blocks of land proclaimed, together with the report of the Surveyor-General on the value thereof, and on the necessary works, and the estimate and cost of such works; and also of the sum or sums expended under section *seventy-three* hereof in respect of such blocks. 25

"Thirds" and "Fourths."

"Thirds" and "fourths" may be pledged as security. 1892, No. 37, sec. 131

76. (1.) Where any local authority entitled to receive the third or fourth of the annual payments arising from lands held on deferred payments or perpetual lease satisfies the Land Board of the district that the making of roads of access to open up the said lands and all 30 works of water-supply and drainage are completed, or that it proposes to complete the same out of moneys to be borrowed for the purpose, then and in either of such cases the Board may grant a certificate to the local authority to such effect as the case may be, and the said local authority shall thereafter be entitled to apply the recurring 35 annual payments aforesaid as ordinary revenue of the district in the first-mentioned case, and in the second case may pledge such annual payments, or so much thereof as is necessary, in lieu of or in reduction of special rates as security for any such loan as aforesaid.

(2.) Where a selector of land on deferred payments pays the 40 capitalised value of the land in his occupation, the third of such value shall in every case be applicable in the same manner as provided in this section in respect of the recurring annual payments, and shall be so applied.

1889, No. 25, sec. 2

(3.) In this section "payments" means rents of land held on 45 perpetual lease, and instalments payable in respect of land held on deferred payments, and includes the capitalised value paid in respect of any such land.

Bridges.

Power to levy bridge rate. 1896, No. 30, sec. 14

77. (1.) Notwithstanding anything in "The Counties Act, 50 1886," limiting the amount of general and separate rates which may

be made in any year by any local body, the Council of any county, if duly authorised 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
 5 general and separate rates authorised by the said Acts 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 one farthing in the pound on the capital value
 10 of all the rateable property in the county.

(2.) Such special rate may be levied on the whole county when the bridge proposed to be reconstructed is for the benefit of the county generally, or the Council, if it thinks fit, may levy the rate on one or more ridings which are specially benefited by that bridge.

15 (3.) The proceeds of any such rate shall be paid into a separate account at the bank, to be called "The [*Name of local body*] Bridge Fund Account," and a separate account thereof shall be kept by the Council. 1896, No. 30, sec. 15

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

78. (1.) Where, by reason of any accident of flood, fire, or other mischance, or on account of dilapidation, it becomes necessary to renew any such bridge exceeding thirty feet in span, the Council
 25 may make application to the Treasurer for a loan for that purpose. Application for loan to renew bridge.
Ibid, sec. 16

(2.) Such application shall set out—

(a.) Particulars of the span and locality of the bridge proposed to be renewed, and an estimate of the cost thereof:

30 (b.) A certificate of the amount then standing to the credit of the Council's Bridge Fund Account, signed by the agent of the bank at which the said account is kept:

(c.) A statement signed by the County Chairman showing the total charges to date against the Bridge Fund Account, and the amount of interest and sinking fund required to pay off all bridge loans already granted to the Council
 35 under the next succeeding section.

79. (1.) The Treasurer, upon being satisfied that the circumstances of the case and the funds at the disposal of the Council, as hereinbefore provided, warrant him in so doing, may, without re-
 40 ference to the ratepayers of the county, grant such loan. Treasurer may grant loan.
Ibid, sec. 17

(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. Ibid, sec. 18

Limited application of Part II. to Boroughs.

45 80. This Part of this Act shall not apply to boroughs, except for the following purposes:— Application to boroughs for certain purposes.

(1.) (a.) The construction of a wharf under the control of the Council, or of a bridge on a main road, or of a punt for a ferry where no bridge is provided on such main road: 1886, No. 48, sec. 25;
1887, No. 22, sec. 8;
1889, No. 25, sec. 4;
1900, No. 41, sec. 5

50 (b.) The Treasurer may from time to time decide, on the advice of the Minister of Lands, what roads shall be deemed "main roads" within the meaning of this subsection.

- (2.) The construction of water-supply works :
 (3.) The construction of works for sanitary purposes under section sixty-six of "The Public Health Act, 1900":
 (4.) The erection of an abattoir :
 Provided that the Treasurer shall not lend to any borough in any year any sum exceeding— 5
 (c.) Eight hundred pounds for any of the purposes mentioned in subsection *one* of this section ; nor
 (d.) Two thousand pounds for the construction of water-supply works ; nor 10
 (e.) Ten thousand pounds for the construction of drainage-works ; nor
 (f.) Three thousand pounds for the construction of other sanitary works ; nor
 (g.) Ten thousand pounds for the erection of an abattoir. 15

Further restriction to small boroughs.

81. The Treasurer shall not grant any loan for any of the purposes mentioned in subsections *one* and *two* of the last preceding section to any borough the inhabitants of which at the time of the then last census were returned as numbering more than four thousand. 20

Boroughs are districts for specified purposes.

82. For the purposes of section *eighty* hereof (but for no other purposes) a borough shall be deemed to be a district within the meaning of this Part of this Act :

Provided that nothing herein shall affect the provisions of sections two to five of "The Government Loans to Local Bodies Act Amendment Act, 1898," so long as these sections remain unrepealed. 25

PART III.

HOW FUNDS PROVIDED BY TREASURER.

Appropriation by Parliament.
 1886, No. 48, sec. 37 ;
 1896, No. 30, sec. 13
 (1)

83. (1.) The Treasurer may in each financial year grant loans to local bodies under this Act to the amount appropriated by Parliament for that purpose. 30

(2.) If no sum is so appropriated in any financial year, the Treasurer may make loans under the authority of this Act in such year to a total amount not exceeding two hundred and fifty thousand pounds, inclusive of any amount appropriated by Parliament under section *seventy-three* hereof (but exclusive of any amount authorised to be granted under section two of "The Government Loans to Local Bodies Act Amendment Act, 1898"), and such amount shall be in addition to any loans agreed by the Treasurer to be made previously but not yet completed. 35 40

Colonial Treasurer may raise moneys.
 1900, No. 52, sec. 32, altered.

84. (1.) For the purpose of providing the money to make loans to local authorities under this Act, the Treasurer, upon being authorised by the Governor in Council so to do, is hereby empowered to raise from time to time by way of loan, in New Zealand or elsewhere, such sums of money, not exceeding in each financial year the amounts aforesaid. 45

Debentures may be issued as security.

(2.) As security for the moneys so raised, the Treasurer may create and issue debentures or scrip under this Act, or inscribed stock under "The New Zealand Consolidated Stock Act, 1877."

85. For the purposes of the *last preceding* section, the Treasurer may from time to time exercise all or any of the following powers, that is to say:—

Powers of Colonial
Treasurer as to
moneys raised.
1900, No. 52, sec. 33

5 (1.) He may prescribe the mode and conditions of repayment of the sums raised as aforesaid, the rates of interest thereon, and the times and places of the payment of principal and interest respectively:

10 (2.) He may agree that debentures or scrip created and issued by him shall be converted into inscribed stock, and may either specify the terms of such conversion at the time when the money is raised or the debentures or scrip are issued, or arrange that such terms shall be subsequently agreed upon, anything in section five of "The New Zealand Consolidated Stock Act, 1877," to the contrary notwithstanding.

15 86. Pending the raising, under section *eighty-four* hereof, of the moneys thereby authorised to be raised, the Treasurer may from time to time raise such sums as he thinks fit by the sale, hypothecation, or mortgage of short-dated debentures; and with respect to
20 such short-dated debentures the following special provisions shall apply:—

Until moneys raised
short-dated debentures
may be issued.
Ibid, sec. 34

25 (1.) They shall bear interest at such rate (not exceeding four per centum per annum), and be for such amounts, and have such currency (not exceeding seven years from the date of issue), and be in such form (with or without coupons), and be payable, both as to principal and interest, at such times and places, and be transferable and negotiable in such manner, as the Treasurer prescribes.

30 (2.) The Treasurer may accept short-dated debentures in payment or exchange for any debentures, scrip, or inscribed stock created or issued under section *eighty-four* hereof.

35 (3.) In order to provide for the payment of the principal sum named in any short-dated debenture, or whenever any short-dated debenture is accepted in payment or exchange, as provided in the *last preceding* subsection, the Treasurer may issue short-dated debentures for an amount equal to the short-dated debentures to be or which have been paid off or accepted in payment or exchange as aforesaid.

40 (4.) The amount of all outstanding short-dated debentures under this section, together with the amount of all outstanding debentures, scrip, or inscribed stock under section *eighty-four* hereof, shall at no time exceed the total sum which
45 for the time being is authorised to be raised under that section.

50 87. (1.) In the event of it being deemed convenient that any of the moneys authorised to be raised under this Act should be raised elsewhere than in New Zealand, the Treasurer may from time to time by warrant under his hand, appoint any two or more persons as Agents for raising the same, and may also in like manner confer upon such Agents all such powers as he deems necessary in order to carry into effect the purposes of this Act.

Agents for raising
moneys outside
colony.
Ibid, sec. 35

- Powers of Agents.
1900, No. 52, sec. 36
- (2.) In addition to the powers conferred upon such Agents by the Treasurer in the warrant appointing them, or in any subsequent warrant, they shall have all the powers by this Act hereinbefore conferred upon him, including the power to raise from time to time, by the creation and issue of debentures (whether short-dated or otherwise), or scrip, or of inscribed stock under "The New Zealand Consolidated Stock Act, 1877," such sums as they think fit, not exceeding in the whole the total sum which for the time being is authorised to be raised under section *eighty-four* hereof: 5
- Delegation of powers.
Ibid, sec. 37
88. (1.) All or any of the powers conferred upon such Agents by this Act, or by the Treasurer, may be delegated by them from time to time to two or more other persons, as delegated Agents, in such manner and subject to such conditions as the delegating Agents think fit. 15
- Removal of Agents.
- (2.) The Treasurer may from time to time remove or accept the resignation of any Agent, whether appointed by him or by the aforesaid delegating Agents; and in any case, or if any such Agent dies, the Treasurer may appoint another person in his stead. 20
- Delegation of powers to Agent-General.
Ibid, sec. 38
89. (1.) All or any of the powers by this Act conferred upon the Treasurer (including the powers relating to Agents), may from time to time be delegated by him to the Agent-General of New Zealand in London. 25
- Notice thereof.
- (2.) Notice of any such delegation as last aforesaid may be given to the Agent-General by telegraphic message from the Treasurer, and the fact that the Agent-General exercises any such powers shall be conclusive evidence of his authority so to do.
- Charge on public revenues.
Ibid, sec. 40
90. The principal sum named in any debenture, scrip, or other security, and the principal sums represented by all such inscribed stock, created or issued in respect of any moneys raised under this Act, together with all interest payable in respect thereof, are hereby declared to be a charge upon and to be payable out of the public revenues of New Zealand. 30
- How debentures, scrip, &c., to be signed.
Ibid, sec. 41
91. (1.) Except in the case of inscribed stock, every debenture, scrip, or other security created or issued in respect of moneys raised under this Act shall be signed by the Treasurer, or (as the case may be) by the Agent-General or the aforesaid Agents by whom the moneys are raised, and shall be countersigned by the Controller and Auditor-General, or by an officer of Audit to be appointed from time to time for that purpose by the Controller and Auditor-General. 35
- (2.) The fact that any officer of Audit so countersigns shall be conclusive evidence of his authority so to do.
- Colonial Treasurer may exercise powers although Agents appointed.
Ibid, sec. 42
92. All the powers by this Act conferred upon the Treasurer for the raising of the aforesaid moneys, and the creation and issue of the securities in respect thereof, shall continue to be exercisable by him notwithstanding the fact that he may have appointed Agents under section *eighty-seven* hereof, or delegated all or any of his powers to the Agent-General under section *eighty-nine* hereof, or that the Agents or Agent-General may have acted or may be acting under such appointment or delegation. 40 50

93. (1.) Without limiting the sources from which the aforesaid moneys may be raised, they may be raised in whole or in part from the Public Works Fund, or any of the accounts mentioned in Part VIII. of "The Public Revenues Act, 1891."

Sources from which moneys may be raised.
1900, No. 52, sec. 43

5 (2.) This Act shall be sufficient authority to the Treasurer or other the respective persons having the control of the aforesaid fund and accounts to lend money therefrom for the purposes of this Act, not exceeding in any one financial year the total sum which for the time being is authorised to be raised under section *eighty-four*
10 hereof.

Authority to lend moneys.

94. No person from whom any money is raised, or who is the holder of any debenture, scrip, or inscribed stock created or issued under the respective powers in that behalf conferred by this Act, shall be concerned to see or inquire whether or to what extent such
15 powers have been previously exercised, or are intended to be exercised; and all moneys raised or purporting to be raised, and all debentures, scrip, and inscribed stock created or issued, or purporting to be created or issued, under such powers shall, so far as concerns the lender or holder, be deemed to have been lawfully raised, created,
20 or issued under such powers.

Security for persons lending moneys.
Ibid, sec. 44

95. Nothing in this Act shall be construed to alter or affect or vary any security heretofore charged on the public revenues of New Zealand.

Prior securities not affected.
Ibid, sec. 45

25 96. (1.) There shall be a sinking fund created for the purposes of this Part of this Act, which shall be under the control of the Public Trustee.

Sinking fund.
1892, No. 33, sec. 5

(2.) With respect to loans existing on the twenty-fourth day of October, one thousand eight hundred and ninety-nine, the sinking fund shall be calculated at the rate of two pounds per centum per
30 annum.

Calculation of sinking fund.

(3.) With respect to all loans granted after that date, the sinking fund shall be calculated at the rate of—

1899, No. 26, sec. 5

(a.) Two pounds per centum per annum in respect of loans on which interest is payable by the local authority under section *fifty-nine* hereof for a period of twenty-six years;
35 or

(b.) One pound ten shillings per centum per annum in respect of loans on which interest is payable for a period of thirty-two years; or

(c.) One pound per centum per annum in respect of loans on which interest is payable for a period of forty-one years.
40

(4.) The amount payable under the two *last preceding* subsections shall be paid as follows:—

(d.) A sum equal to ten shillings per centum per annum on all loans, irrespective of the term during which interest is payable or of the date on which such loans were granted, shall be transferred annually by the Public Trustee from the said Assurance Fund created under "The Land Transfer Act, 1885," to a Sinking Fund Account; and
45

(e.) The remainder shall be paid annually by the Treasurer into the Public Trust Office to the Sinking Fund Account without further appropriation than this Act.
50

1892, No. 33, sec. 5

(5.) All amounts received from time to time for sinking fund shall be invested by the Public Trustee in such authorised investments as will yield the highest amount of interest.

Debentures, &c.,
may be converted
into stock.
1886, No. 48, sec. 46

97. The Treasurer may cause any scrip or debentures issued under this Part of this Act to be converted into stock, and inscribed in the manner provided by "The Consolidated Stock Act, 1884," or may, in lieu of issuing such scrip or debentures, cause an equivalent amount to be inscribed in the manner aforesaid; and all the provisions of the said last-mentioned Act shall apply to stock so inscribed.

Treasurer not
personally liable.
Ibid, sec. 48

98. The Treasurer shall not be in any manner personally liable to any local authority, or to any person, for or in respect of any act or thing made, done, or executed by him under this Act.

Statement to be
laid before
Parliament.
Ibid, sec. 50

99. The Treasurer shall annually lay before Parliament, within fourteen days after the first meeting thereof, a report of all matters done under Parts II. and III. of this Act, showing—

- (1.) What applications have been made by local authorities, and whether such applications have been granted or refused;
- (2.) What sums have been granted or advanced to local authorities, and for what purposes, and the names of such authorities;
- (3.) What sums have been borrowed or raised by the Treasurer, and what are the outstanding liabilities and the assets.

PART IV.

THE INSCRIPTION OF THE DEBTS OF LOCAL AUTHORITIES.

Inscription
Register.
Ibid, secs. 32, 36

100. The Treasurer shall cause a register to be kept in the Treasury, in which shall be inscribed, in the names of the custodians of securities under "The Public Securities Act, 1895," the total amounts of the debentures which each local authority would be required to give as security for moneys lent to it under the provisions of this Act, and in such case the local authority shall not be required to give such debentures as hereinbefore provided.

Notice of intention
to inscribe.
Ibid, sec. 33

101. Before such inscription the Treasurer shall give notice to the local authority that he intends so to inscribe such debt, and the amount thereof; and if any difference arises as to the amount so to be inscribed, the matter shall be referred to the Auditor, whose decision shall be final.

Effect of inscrip-
tion.
Ibid, sec. 34

102. Where any debt is so inscribed, the same liabilities shall attach to the local authority thereunder as would have attached to it if the local authority had issued debentures as hereinbefore provided; and all the provisions hereinbefore made in respect of any such debentures shall, *mutatis mutandis*, apply to such inscription.

Regulations.

103. The Governor in Council may from time to time make regulations providing for the exercise of all or any of the powers vested in the Treasurer under this Part of this Act, or necessary for giving effect thereto.

PART V.

MISCELLANEOUS.

104. Where a notice is required by this Act to be given or published by a local authority, such notice shall be given or
 5 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. Service of notices.

105. Where any contract, debt, or liability is entered into or incurred, or any act or thing is done or suffered by a local
 10 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.
1886, No. 47, sec. 5;
1886, No. 48, sec. 4

106. Stamp duty shall not be payable in respect of any debenture or coupon issued under this Act, or of any transfer thereof
 15 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.
1886, No. 47, sec. 49;
1892, No. 28, sec. 3

107. (1.) Where the whole or any part of a special rating district in respect of any loan is merged in the district of a local
 20 authority other than the local authority that raised the loan, then the local authority in whose district such special rating district or part thereof becomes merged may, by special order, and without taking a poll of the ratepayers of such special rating district or part thereof, make and levy special rates on the rateable property therein for the purpose of providing the interest and other charges
 25 upon the loan or portion thereof which, in consequence of the merger, has become a liability of such local authority. Where special district merged.
1898, No. 18, sec. 9

(2.) In every such case all such entries may, with the previous consent and approval of the Auditor, be made in the register prescribed by section *one hundred* hereof as are necessary to duly
 30 adjust or apportion the liability in respect of such loan amongst the respective local authorities concerned. 1896, No. 30, sec. 10

108. The Acts mentioned in the *Second* Schedule hereto are hereby repealed: Provided that such repeal— Repeals.

(1.) As to sections one to five of "The Government Loans to
 35 Local Bodies Act Amendment Act, 1898," and section eight of "The Government Loans to Local Bodies Act Amendment Act, 1899," shall not take effect until the first day of April, one thousand nine hundred and two.

(2.) Shall not affect any loan or any agreement made by the
 40 Treasurer to grant a loan to any local authority under any Act hereby repealed; or any debenture, coupon, or inscription issued or made under any such Act; or any right or power of recovery possessed by any creditor in respect of any debenture or coupon.

Schedules.

SCHEDULES.

Section 11.

FIRST SCHEDULE.

(1.) VOTING PAPER.

[Name of local authority.]

PROPOSAL to raise a Special Loan, upon which a poll will be taken upon the day of , 19 .

[Insert full particulars of the notice required by section 8 of this 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 16.

(2.) SPECIAL ORDER MAKING SPECIAL RATE.

In pursuance and exercise of the powers vested in it in that behalf by [Quote Act under which special order is made], 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], authorised to be raised by [Name of local authority], under the provisions of "The Local Bodies' Loans Act, 1901," 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 valuation of all rateable property of the [Name of district], comprising [State the number of sections and block, and name of survey district, or describe the district by its boundaries], 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 [Date] and the day of [Date] 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.

Section 18.

(3.) DEBENTURE.

No. [Name of local authority] of

[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 the [Name of district] of , New Zealand, under "The Local Bodies' Loans Act, 1901."

N.B.—The holder of this debenture has no claim in respect thereof upon the Government of the Colony of New Zealand or the revenues of that colony.

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.

Issued under the common seal of the [Name of corporate body] of , the day of , 19 .

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

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

(4.) COUPON.

Section 19.

Debenture No. _____ of the [Name of local authority] of _____, New Zealand.

Issued under "The Local Bodies' Loans Act, 1901," 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 20.

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 _____ in New Zealand.

Dated this _____ day of _____.

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 the colony, should be a Justice of the Peace, barrister, solicitor, minister of religion, Mayor, Town Clerk, or Chairman or official of a local authority.)

SECOND SCHEDULE.

Section 108

LIST OF ACTS REPEALED.

- 1883, No. 35.—"The Town Districts Act 1881 Amendment Act, 1883." In part, namely: Section 18, from "and the provisions" to end of that section, and section 19.
- 1884, No. 49.—"The River Boards Act, 1884." In part, namely: Sections 95, 96, and 111 to 119.
- 1885, No. 28.—"The River Boards Act 1884 Amendment Act, 1885." In part, namely: Sections 5 to 8.
- 1886, No. 47.—"The Local Bodies' Loans Act, 1886."
- 1886, No. 48.—"The Government Loans to Local Bodies Act, 1886."
- 1886, No. 49.—"The Counties Act, 1886. In part, namely: Sections 192 to 210, and 212 to 228.
- 1887, No. 22.—"The Government Loans to Local Bodies Act, 1887."
- 1889, No. 25.—"The Government Loans to Local Bodies Act Amendment Act, 1889."
- 1891, No. 27.—"The Government Loans to Local Bodies Act Amendment Act, 1891."
- 1892, No. 28.—"The Local Bodies' Loans Act Amendment Act, 1892."
- 1892, No. 33.—"The Government Loans to Local Bodies Act Amendment Act, 1892."
- 1896, No. 30.—"The Government Loans to Local Bodies Act Amendment Act, 1896."
- 1897, No. 15.—"The Water-supply Act Amendment Act, 1897." In part, namely: Section 3.
- 1897, No. 17.—"The Government Emergency Loans to Local Bodies, 1897."
- 1898, No. 18.—"The Government Loans to Local Bodies Act Amendment Act, 1898."
- 1899, No. 26.—"The Government Loans to Local Bodies Act Amendment Act, 1899."
- 1900, No. 24.—"The Local Bodies' Loans Act Amendment Act, 1900."
- 1900, No. 41.—"The Government Loans to Local Bodies Act Amendment Act, 1900."