

New Zealand

ANALYSIS

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1940, No. 3—*Local and Personal*

AN ACT to authorize the Transfer of the Accrued Title.
Tramways Depreciation Fund held by the Public Trustee as Depreciation Fund Commissioner on behalf of the Invercargill City Council towards the Loan Redemption Payments and Interest owing or hereafter to become due under the Loans in respect of the Council's Tramway Undertaking.

[30th August, 1940

WHEREAS pursuant to the powers conferred on it Preamble.
by the Tramways Act, 1908, the Invercargill City Council (hereinafter called the Council) has established a tramway undertaking and is operating same at a considerable annual loss: And whereas the Council has a loan debt in respect of its said tramway undertaking which amounted at the thirty-first day of March, nineteen hundred and forty, to the sum of fifty-six thousand six hundred and five pounds fourteen shillings and ninepence after allowing for accrued

sinking fund in respect of same: And whereas pursuant to the Invercargill City Loans Conversion Order, 1934, made under the Local Authorities Interest Reduction and Loans Conversion Act, 1932-33, and published in *New Zealand Gazette* dated the fifteenth day of February, nineteen hundred and thirty-four, the Council is repaying its said loan debt by annual instalments of principal in accordance with the said Loans Conversion Order: And whereas, pursuant to section one hundred and seventeen of the Municipal Corporations Act, 1933, the Council has established a Tramways Depreciation Fund in respect of its tramway undertaking: And whereas the Public Trustee is Depreciation Fund Commissioner in respect of the said Tramways Depreciation Fund: And whereas the amount held by the Public Trustee as Depreciation Fund Commissioner at the credit of the said Depreciation Fund at the thirty-first day of March, nineteen hundred and forty, amounted to the sum of fifty-one thousand seven hundred and ninety-three pounds twelve shillings and sevenpence: And whereas the Council has been carrying on its said tramway undertaking at a loss during recent years exceeding five thousand pounds per annum: And whereas the Council has decided to abolish the said tramway undertaking and, by advertisement in the prescribed manner dated the nineteenth day of June, nineteen hundred and thirty-nine, had given notice of its intention to apply for an Order in Council authorizing it to discontinue its said tramway undertaking, and in such advertisement had notified the ratepayers of their opportunity to demand a poll as to whether or not such Order in Council authorizing the discontinuance of the said tramway undertaking should be applied for: And whereas no demand for such poll having been received from the ratepayers within the prescribed time, application for an Order in Council authorizing the discontinuance of the said tramway undertaking and the service conducted thereunder was duly made to the Minister of Public Works on the nineteenth day of July, nineteen hundred and thirty-nine: And whereas owing to the outbreak of war and the position of sterling funds the Council finds it impracticable to abolish its tramway undertaking and

change its system of transport at present, and it must continue the operation of its tramway undertaking: And whereas the annual instalments of principal in accordance with the said Loans Conversion Order will extinguish the debt on the said tramway undertaking on the first day of May, nineteen hundred and fifty-seven, as appears from the said Loans Conversion Order: And whereas, in view of the said provisions for extinguishment of the debt in respect of the tramway undertaking and of the Council's intention in the future to abolish its tramway undertaking as above mentioned, the said Tramways Depreciation Fund is no longer required for the purpose for which it was established, and it is desirable that it should be applied for the redemption of the tramways loans and interest thereon as hereinafter provided: And whereas so long as the Council's tramway undertaking is being operated it is not desired to reduce the amount at the credit of the said Depreciation Fund below the sum of ten thousand pounds:

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

1. This Act may be cited as the Invercargill City Council Tramway Depreciation Fund Empowering Act, 1940. Short Title.

2. (1) The Public Trustee, as Depreciation Fund Commissioner, shall at the thirty-first day of March following the date of the coming into force of this Act ascertain the amount at credit of the Invercargill City Council Tramways Depreciation Fund Account held by him, and shall calculate and assess the equal annual sums payable on the thirty-first day of March in each year that would extinguish and repay the said Depreciation Fund (including interest) on the thirty-first day of March, nineteen hundred and fifty-eight, and, subject to the provisions of this section, he shall, during the month of April in each year from date of the coming into force of this Act until nineteen hundred and fifty-eight, release and pay to the Council such assessed annual sum, and the Council shall credit such amount annually to the Council's Tramway Account and expend and apply it for the purpose of meeting the standing Payments by
Depreciation
Fund
Commissioner
in respect of
Tramways
Depreciation
Fund.

charges by way of loan-redemption payments and interest in respect of the Council's tramway undertaking.

(2) Should the rate of interest earned by the said Depreciation Fund in the hands of the Depreciation Fund Commissioner at any time or times hereafter vary from the present rate the amounts of the annual payments to be made by the said Commissioner to the Council under the last preceding subsection after the date or dates of such variation of interest shall be adjusted and varied so that the said Fund and interest thereon shall, subject to the provisions of this section, be repaid in full in the year nineteen hundred and fifty-eight.

(3) So long as the Council continues to operate the tramway undertaking the amount in the hands of the Public Trustee as such Depreciation Fund Commissioner shall not be reduced below the sum of ten thousand pounds.

Disputes
decided by
Controller and
Auditor-
General.

3. If any dispute or difference shall arise between the Public Trustee and the Council as to the annual sum or sums to be paid under the last preceding section the matter in dispute shall be referred to the Controller and Auditor-General for his decision, and his decision shall be final and binding on both parties to such dispute or difference.

Liability
of Council
in respect of
Depreciation
Fund.

4. The Council shall not be liable after the date of the passing of this Act to make any further payments to provide a Depreciation Fund in respect of its tramway undertaking.

Rights of
debenture-
holders.

5. Nothing in this Act shall affect the rights of the holders of debentures issued in respect of any of the Council's tramway loans.