

## New Zealand.



### ANALYSIS

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| <p>Title.</p> <p>1. Short Title.</p> <p>2. Section 11 of Finance Act, 1921, declared to be applicable to the conversion of loans.</p> <p>3. Section 102 of principal Act amended to conform to section 101 of principal Act.</p> | <p>4. Amending provisions as to sinking funds in cases of converted loans.</p> <p>5. With consent of Minister of Finance, local authority may, on application of holder of debentures, cancel them and issue consolidated debenture in lieu thereof.</p> |
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1924, No. 17.

AN ACT to amend the Local Bodies' Loans Act, 1913.

[29th September, 1924.]

Title.

BE IT 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 Local Bodies' Loans Amendment Act, 1924, and shall be read together with and deemed part of the Local Bodies' Loans Act, 1913 (hereinafter referred to as the principal Act).

Short Title.

2. (1.) Section eleven of the Finance Act, 1921 (relative to the variation by the Governor-General in Council of the terms on which local authorities or public bodies are authorized to borrow moneys), is hereby declared to apply, and at all times since the passing of that Act to have applied, to loans raised or to be raised for the conversion of other loans, as provided for in Part V of the principal Act.

Section 11 of Finance Act, 1921, declared to be applicable to the conversion of loans

(2.) The authority conferred on the Governor-General in Council by the said section eleven to prescribe a rate of interest shall, in the case of conversion loans, extend to enable him to prescribe a rate of interest in excess of the rate specified in section one hundred and one or in section one hundred and two of the principal Act.

3. Section one hundred and two of the principal Act is hereby amended by omitting the words "four and one-half," and substituting the word "five."

Section 102 of principal Act amended to conform to section 101 of principal Act.

4. Section eighty-nine of the principal Act is hereby amended as follows:—

Amending provisions as to sinking funds in cases of converted loans.

(a.) As to subsection one, by omitting all the words after the words "shall make provision," and substituting the

words "for the creation, pursuant to a resolution of the local authority, of a sinking fund of not less than one per centum per annum of the amount of the converted loan."

(b.) As to subsection two, by omitting the words "such yearly sums as the Public Trustee deems necessary," and substituting the words "the sum required to provide the annual contribution to the sinking fund according to the resolution creating that fund."

(c.) As to subsection four, by omitting the words "of redeeming the converted loan at maturity," and substituting the words "for which the sinking fund was established."

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5. (1.) On application in that behalf by the holder of any debentures (whether issued before or after the passing of this Act), and acting with the precedent approval of the Minister of Finance, any local authority may, subject to the provisions of this section, accept the surrender of and cancel any debentures theretofore issued by it which bear the same date, have been issued for the same term, and are otherwise subject to the same terms and conditions, and may issue in lieu thereof a new debenture (herein referred to as a consolidated debenture) for the total amount represented by the debentures so cancelled:

Provided that a consolidated debenture shall not be issued under this section unless and until the Controller and Auditor-General, or an officer approved by him for the purpose, has certified to the cancellation of the several debentures in lieu of which the consolidated debenture is proposed to be issued.

(2.) Such consolidated debenture shall, for taxation and other purposes, be deemed to have been issued on the date of the cancelled debentures, and shall be payable on the same date, and shall bear interest at the same rate, and shall be otherwise subject to the same terms and conditions as those debentures.

(3.) Every consolidated debenture issued under this section shall be secured in the same manner in all respects as the debentures in lieu of which it is issued, and the provisions of the principal Act and of any other Act applicable to such cancelled debentures shall, save as may be inconsistent with this Act, apply with respect to the consolidated debenture.

(4.) Notwithstanding anything to the contrary in the principal Act, consolidated debentures under this section may be issued either with or without coupons in respect of interest, and where debentures are so issued without coupons the interest payable from time to time in respect of such debentures shall be paid by the local authority by cheque.

(5.) This section shall apply with respect to debentures issued by any Harbour Board as if a Harbour Board were a local authority within the meaning of the principal Act.