

Mr. E. G. Allen.

BOROUGH OF PORT CHALMERS BORROWING.

[LOCAL BILL.]

ANALYSIS.

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A BILL INTITULED

AN ACT to empower the Borough of Port Chalmers to borrow Five Thousand Pounds. Title.

5 WHEREAS the present water-supply to the Borough of Port Chalmers and the shipping of the port is insufficient for the requirements of the ratepayers of the borough and of the shipping of the port: And whereas it is expedient that further powers be conferred upon the Corporation of Port Chalmers for the improvement and extension of the said water-supply: And whereas it is desirable that the indebtedness of the Borough of Port Chalmers, represented by its bank overdraft due on its Water-supply Account, should be paid off by means of a loan at a lower rate of interest, and that by means of such loan provision should be made for the repayment of a loan maturing at an early date: Preamble.

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

1. The Short Title of this Act is "The Borough of Port Chalmers Borrowing Act, 1899." Short Title.

20 2. In the interpretation of this Act, the following expressions shall have the meanings hereby assigned to them:— Interpretation.

"The Corporation" shall mean the Corporation by the name of the Mayor, Councillors, and Burgesses of the Borough of Port Chalmers.

25 "The Council" shall mean the Council of the said Borough of Port Chalmers, and for carrying out the provisions of this Act it shall have and exercise all the powers of the Corporation.

The debentures authorised by this Act to be issued shall be termed "Port Chalmers Borough Debentures, 1899," and the security and remedy therefor shall extend to the coupon thereto attached.

BORROWING. 5

Power to borrow
£5,000 at 4½ per cent.

3. The Corporation is hereby empowered to borrow at such rate of interest not exceeding four pounds ten shillings per centum per annum as it shall think fit any sum or sums of money not exceeding in the whole the sum of five thousand pounds.

New clause. 10

Overdraft to bank.

3A. It is hereby further enacted that,—

(1.) After the whole of the said sum of five thousand pounds shall have been raised, it shall not be lawful for the Council to owe to its bankers on overdraft on any account at the end of any financial year any sum exceeding the amount of ordinary revenue for that year payable into such account and then outstanding and uncollected. 15

Reduction of overdraft.

(2.) Until the whole of the said sum of five thousand pounds shall have been raised, the limit for overdraft prescribed by section two hundred and one of "The Municipal Corporations Act, 1886," shall be reduced from time to time by the aggregate of the amounts paid into the Municipal Account from time to time out of the loan authorised by this Act. 20

Application of loan.

4. Such loan or loans shall be raised and expended exclusively for the purposes herein specified, that is to say,— 25

(1.) In payment of such commission, charges, and expenses, including the cost of obtaining this Act, as the Council shall determine to have been actually incurred in connection with such loan or loans. 30

(2.) In payment of the cost of the improvements and extension of the present waterworks and water-supply to the said Town of Port Chalmers, and to the shipping of the Port, including—

(a.) The purchase of new water-mains, pipes, and other necessary plant. 35

(b.) The uplifting and replacing of the present water-mains and pipes.

(c.) The repairs to the reservoir, and in all other necessary and proper outgoings in connection with the improvement and extension of the said waterworks. 40

(3.) In payment of a sum or sums not exceeding in the whole the sum of twelve hundred pounds towards the extinction of the overdraft of the Corporation owing on Water-supply Account. 45

(4.) In payment and extinction, when it falls due, of the loan specified in the *First Schedule* hereto, in so far as the said loan is not completely extinguished by means of the sinking fund applicable thereto. 50

(5.) If there shall remain any balance of the said sum of five thousand pounds, after deducting a sum sufficient for all the purposes above specified, such balance may be raised

and applied by the Corporation in refunding to its general account moneys heretofore paid from such account into the Water-supply Account.

Provisions as to raising loan.

5. The following provisions shall apply to any loan raised under the powers herein contained:—

(1.) The debentures issued under this Act shall be payable to bearer and shall be transferable by delivery. No stamp duty shall be payable in respect of any such debentures or coupon.

(2.) No debentures under this Act shall be sold at a price that will produce to the purchaser a greater interest than ~~five pounds~~ *four pounds ten shillings* per centum per annum.

(3.) The debentures issued under the provisions of this Act shall have a currency not exceeding thirty years from the date of issue.

(4.) Such debentures and the coupons attached thereto shall bear the form set forth in the *Second Schedule* hereto, with such modifications as to the Council seem desirable, and the same need not have the Corporation seal attached thereto, and may be signed by the Mayor and Treasurer, and they shall be numbered consecutively, and the signatures to any coupon may be made by lithography or any other process, and the sum secured by any such debenture shall, both as to principal and interest, be payable at a place to be determined by the Council and stated in such debenture and coupon.

Struck out.

(5.) Sections numbered from two hundred and four to two hundred and seventeen, both inclusive, of "The Municipal Corporations Act, 1886," shall not apply to any loan or loans to be raised under the provisions of this Act.

SECURITY.

6. The Council may, by special resolution, make and levy as security for any such loan or loans such special rate or special rates as it may deem necessary, and may pledge the same as security for any loan; and in so doing its authority shall not be limited to the making and pledging of a special rate or special rates estimated as sufficient to cover the interest of such loan, but it may make and pledge a rate or rates of a greater amount: Provided that it shall not levy more in any year during the currency of such loan than shall be sufficient to provide such interest, so long as such interest shall be punctually paid.

Power to levy special rate.

7. No objection shall be allowed in any Court to any rate which the Council shall purport to strike, make, or levy under the provisions of this Act, or which shall or may form the security for the debentures or coupons issued hereunder, and no informality or irregularity, whether in form or in substance, or in the making, striking, or levying of such rate, or in the election or appointment of any body or person acting in connection therewith, shall be allowed by any Court

Irregularity in making rate not to invalidate same.

as a defence to any act or proceeding for the recovery of such rate or be entertained as a ground for quashing such rate or restraining the recovery thereof.

Power to increase
or diminish rate.

8. The Council shall have power from time to time to amend any special rate made by it under the provisions hereof by increasing or diminishing the same; but no special rate shall be diminished by the Council under the powers herein contained unless the Controller and Auditor-General shall previously to such reduction in writing approve thereof, and such reduction shall only continue for so long a period as he shall approve.

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Schedules.

SCHEDULES.

FIRST SCHEDULE.

Date of Issue.	Date of Maturity.	Amount of Loan.	Rate of Interest.	Amount of Accrued Sinking Fund.
1st Nov., 1871	1st Nov., 1901	£5,000	7 per cent. per annum	£3,286 2s. 9d.

SECOND SCHEDULE.

FORM OF DEBENTURE.

Loan of £5,000.

Borough of Port Chalmers.

"The Port Chalmers Borough Debenture Act 1899," Loan.

DEBENTURE for £ , payable at , on , 19 , issued by the Council of the Borough of Port Chalmers, New Zealand, under "The Borough of Port Chalmers Borrowing Act, 1899."

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 such colony.

ON presentation of this debenture at , 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 payment falls due, unless default is made in payment.

Issued under the corporate seal of the Borough of Port Chalmers this day of , 1899.

C.D.,
Treasurer.

A.B.,
Mayor.

FORM OF COUPON.

DEBENTURE No. of the Borough of Port Chalmers, New Zealand, issued under "The Borough of Port Chalmers Borrowing Act, 1899."

ON presentation of this coupon at , on or after the day of 19 , the bearer thereof will be entitled to receive

C.D.,
Treasurer.

A.B.,
Mayor.