

New Parliament.

Hon. Sir J. Vogel.

DISTRICT RAILWAYS LEASING AND PURCHASING.

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A BILL INTITULED

AN ACT to authorize Her Majesty to Lease and Purchase any Railway within the Colony constructed under the District Railways Acts. Title.

5 BE IT 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 District Railways Leasing and Purchasing Act, 1884." Short Title.

20 2. In this Act, if not inconsistent with the context,— Interpretation.
"The District Railways Acts" means "The District Railways Act, 1877," together with all Acts passed from time to time in amendment thereof:

"The said Acts" means the District Railways Acts as herein defined:

15 "Minister" means the Minister for Public Works:

"District railway," or "railway," means a railway constructed under the said Acts, and includes the land upon which the railway is constructed, and any land taken, purchased, or acquired and used for the purposes of the railway, and all buildings and erections of every kind thereon, and all

permanent works and buildings, rolling-stock, machinery and plant of every kind used for the purposes of or in connection with such railway :

“ Railway district ” means a railway district declared to be such under the District Railways Acts or either of them : 5

“ Company ” has the same meaning as is given to such word in section three of “ The District Railways Act, 1877. ”

Governor may contract for lease and purchase of district railways.

3. The Governor, in the name and on behalf of the Queen, may enter into a contract with the company owner of any of the district railways mentioned in the Schedule to lease the railway works of the company, together with their plant, rolling-stock, implements, and all their rights, powers, and privileges, for a fixed term of twenty years, paying for the same an annual rental equivalent to a sum calculated after the rate of four pounds per centum on the total value of the railway at the time of the contract, and to purchase such railway at the expiration of the term at such value by paying the amount of the debenture lease bonds hereinafter mentioned. 10 15

Company owning railway may join in such contract.

4. Every company, owner of a railway, is hereby authorized to enter into a contract with the Governor under this Act for the lease and purchase of the railway belonging to the company, subject, however, to the consent of the shareholders being obtained to such agreement, if so required by the memorandum and articles of association of the company. 20

Value of railway with uncollected rates to be purchasing price.

5. The total value of a railway shall be an amount equivalent to the value of the railway at the time of entering into the contract, with the addition thereto of the actual amount of rates lawfully authorized to be levied as rates in respect of such railway up to the date of the passing of this Act. 25

Value of railway to be determined by arbitration.

6. The value of the railway shall be ascertained as of the day of the contract, and shall be determined by arbitration, the award being that of three arbitrators, or any two of them, one arbitrator being chosen by the Governor, another by the company, and the third arbitrator by the two other arbitrators ; and such award shall be made either before or not later than *three* months after entering into the contract, unless the Governor shall think fit to extend the time for making the same. 30 35

(1.) In determining such value, the said arbitrators shall not award any compensation to the company in respect of the lands the use of which shall have been acquired from Her Majesty or the Governor under “ The District Railways Acts, ” but the company shall, in respect of such lands, and of all lands acquired by the company and used for the purposes of the railway, be entitled to the fair value of the improvements, if any, made by them on such lands. No compensation whatever shall be paid for the goodwill of any railway. 40 45

(2.) The arbitrators, in determining the value, shall take as a basis of the valuation the cost of other similar railway works, plant, and rolling-stock at the time when the works forming the subject of such arbitration were constructed, or the plant or rolling-stock was acquired, as the case may be ; and the arbitrators shall also take into consideration 50

the depreciation in the permanent-way, plant, and rolling-stock, buildings, and other works of the railway, including therein any onerous or burdensome provisions respecting the use of the said railway or the works thereof, or any easements, rights, or privileges in connection therewith.

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(3.) Where a railway is not completed, the arbitrators shall determine as to the cost of the works constructed, or in progress, including the costs of all surveys, plans, maps, and other necessary expenses preliminary to such construction.

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7. The Governor in Council may authorize the Colonial Treasurer from time to time to issue to the company owner of any railway leased under this Act, debenture lease bonds for any sum not exceeding the total value of the railway, ascertained as hereinbefore mentioned; or may authorize any one or more persons, either within or beyond the colony, to be agents for the issue of such bonds.

Governor may issue debenture lease bonds.

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8. Every such debenture lease bond—

Form of bonds, &c.

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(1.) Shall be in such form as the Governor in Council or the agents aforesaid may from time to time approve, containing an undertaking to pay the principal sum mentioned in such bond at maturity, and interest thereon every half year until maturity at a rate not exceeding four per centum per annum;

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(2.) Shall be numbered consecutively, so that no two bonds shall at any time bear the same number, and shall be for a sum of not less than one hundred pounds each;

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(3.) Shall be payable, both as to principal and interest, at a place, within or without the colony, named in the bond, and at a time named therein, being either ten, fifteen, or twenty years from the issue thereof; and any such bond may be renewed for any term or period, but so that the total currency of any such bond shall not (including any renewal) exceed twenty years from the original issue thereof.

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9. The interest on every such bond shall not exceed four per centum on the amount thereof, and shall be paid half-yearly; and separate coupons for each sum so payable, and numbered consecutively for each bond, shall be attached thereto.

Interest not to exceed 4 per cent.

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10. Bonds and coupons respectively shall be transferable by delivery; and payment to any person in possession of any such bond or coupon of the sum named therein shall discharge Her Majesty from all liability in respect of such bond or coupon.

Bonds negotiable by transfer.

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11. The interest upon the bonds aforesaid shall be paid each half year out of the Consolidated Fund in the first instance, and shall be repaid to the said fund out of the net profits of the railway, after defraying the working expenses and charges thereof.

Interest to be advanced out of Consolidated Fund.

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12. In the event of the receipts from any railway under this Act not being sufficient in any year, after defraying the working expenses and charges of the railway, to pay the amount of interest to be paid in such year in respect of the lease bonds aforesaid, then one-half of the amount of the deficiency shall be a charge on the Consolidated Fund, and the remaining half shall be paid out of a rate which is

Deficiency of profits of railway to be made up equally out of Consolidated Fund and by a rate.

hereby authorized to be made and levied for the purpose on the rateable property in the railway district declared in respect of such railway.

Payments out of Consolidated Fund.

13. The charges upon the Consolidated Fund herein provided for shall be paid thereout from time to time by the Colonial Treasurer, on the warrant of the Governor to that effect. 5

Minister for Public Works to determine rate required for half deficiency.

14. For the purpose of determining the amount of rates to be made or levied to make up the deficiency in the receipts of the railway in any year, such receipts, after paying for the cost of maintenance and the working expenses of the railway in that year, shall be ascertained as at every thirty-first day of March; the first computation to be made shall be at the thirty-first day of March, in the year one thousand eight hundred and eighty-six. 10

Rate to be levied by the Minister.

15. The Minister shall yearly, as and whenever it may be necessary for the purposes of this Act, raise, by means of a rate upon all rateable property within the railway district, such sum of money as may be required to make up the deficiency of interest under this Act authorized to be raised by means of a rate, and the costs of making, levying, and collecting such rate: Provided that the sum of money to be so raised shall not in any one year exceed two pounds per centum per annum on the total value of the railway. 20

Powers of Minister for levying rate.

16. For the purpose of making, levying, and collecting any and every such rate as aforesaid, the Minister shall be deemed a local body within the meaning of "The Rating Act, 1882," and any Act amending the same or passed in substitution thereof for the purpose of regulating the making and levying of rates; and accordingly the provisions of "The Rating Act, 1882," and of every other such Act as aforesaid, shall extend to and be made applicable and available for the making, levying, and collecting by the Minister of any and every such rate as aforesaid, but subject to the following express provisions, that is to say,— 25 30

- (1.) That it shall not be necessary for the Minister to make any valuation roll for the purposes of such rate as aforesaid, but he may adopt for those purposes all such valuation rolls of the several local bodies within the railway district as shall be for the time being in force, and the rate may be made on the basis of the valuation rolls so adopted: 35
- (2.) That in railway districts where a classification of lands has been made under the said Acts, a separate rate-book shall be prepared in respect of each of the classes of land into which the railway district shall have been divided for the purposes of the said Acts: 40
- (3.) That each rate shall be made payable in two equal instalments, at such dates respectively, in the year in which it shall be made, as the Governor may from time to time appoint: 45
- (4.) That in every case in which the boundary of the jurisdiction of any local body within the railway district is or shall not be coincident with the boundary of the railway district, so that any rateable property within the jurisdiction of such local body shall be intersected by the boundary of the railway district, then the Minister shall apportion the rateable value of such property, so that such portion thereof as lies within the railway district may be fairly 50

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15 16. The rate to be levied for the purposes of this Act; and the Minister shall insert in each rate-book applicable to such portion of the said property as aforesaid the fact and nature of such apportionment, which shall then be binding to and for all intents and purposes. The Minister may from time to time appoint all such officers and do all such things as may be necessary for the due making, levying, and collecting any rate authorized under this Act; and every rate made and levied by the Minister under the authority aforesaid shall be valid.

10 17. The lands comprised in any railway district shall conclusively be deemed to be classified for the purposes of this Act according to the gazetted notice of the classification thereof, under section nine of "The District Railways Act, 1877."

Classification of land.

15 18. The amount in the pound of every rate authorized to be levied as before provided shall, in railway districts where a classification of lands has been made under the said Acts, vary proportionately according to the rate originally fixed for the class in which the rateable property in respect whereof it is made shall be comprised under the classification of lands for the purposes of the railway district, but so that the amount in the pound levied shall not exceed in respect of each class that proposed by the Minister in respect thereof under section fifteen of this Act.

Amount in pound of rate to vary according to original amount fixed for rate.

25 19. All moneys received under any such rate as aforesaid shall be applied, first in or towards payment of the costs, charges, and expenses of making, levying, and collecting such rate, and the remainder shall be paid into the Consolidated Fund in repayment of the deficiency of interest required to be provided for out of rate.

Proceeds of rate to be paid into Consolidated Fund.

30 20. Every railway leased by the Governor under this Act shall be and become subject to the provisions of any Act for the time being in respect of any railway the property of Her Majesty the Queen, and to all by-laws and regulations from time to time made thereunder.

Railway leased to be subject to Public Works Acts.

35 21. All powers and authorities conferred by the said Acts upon a company in respect of the construction, maintenance, and working of a railway, and otherwise in connection with such railway, shall, upon the leasing thereof, cease to be exercised or exercisable by such company, and shall vest in, and be exercisable by, the Governor.

Powers, &c., of company to vest in Governor.

40 22. Upon payment to the company of the aforesaid lease debentures, the company shall convey, assign, and transfer to Her Majesty all their estate, property, and interest in the said railway, and everything appurtenant thereto.

On payment of debentures company to convey and assign railway to the Queen.

45 If the railway and property of the company shall be subject to any mortgage the mortgagee shall, on being paid his principal and interest, join in and execute such conveyance, assignment, and transfer as may be necessary to give effect to this provision. But in the event of there being any outstanding mortgage, whereof the mortgagee refuses to accept the principal moneys until maturity, then the company shall deposit with the Governor sufficient securities to provide for the payment of such principal moneys when due.

05 23. No rates shall be levied or collected in respect of any railway leased under this Act further than as in this Act is specially provided.

No rates to be levied except under this Act.

All former rates to be refunded.

All proceedings for the recovery of rates under the District Railways Acts by the company owner of any railway shall cease from the date of the passing of this Act. as was long since

All rates recovered by the company owner of any railway leased under this Act up to the date of the lease, shall be repaid to the persons who have paid the same immediately after the Governor has contracted to lease such railway, and if not so paid may be recovered at any time in a summary manner by the persons entitled thereto respectively in any Court of competent jurisdiction. 5

No new district railway to be authorized.

24. After the passing of this Act no railway shall be authorized to be constructed under the District Railways Acts.

SCHEDULE.

RAILWAYS CONSTRUCTED UNDER THE DISTRICT RAILWAYS ACTS.

The Duntroon and Hakateramea Railway.
 The Rakaia and Ashburton Forks Railway.
 The Thames Valley and Rotorua Railway.
 The Waimate Railway.
 The Waimea Plains Railway.