

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,

21st December, 1921.

Mr. Nash.

PALMERSTON NORTH BOROUGH LOANS CONSOLIDATION.

[LOCAL BILL.]

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A BILL INTITULED

AN ACT to enable the Council of the Borough of Palmerston North to consolidate certain Loans. Title.

WHEREAS the Council of the Borough of Palmerston North Preamble.
5 heretofore at various times, pursuant to the provisions of the Local
Bodies' Loans Act, 1913 (hereinafter referred to as the said Act),
duly resolved to raise certain several special loans and obtained
the consent of the ratepayers of the said borough to the raising
10 of each of the said several loans in the manner provided by the
said Act, and duly made and levied several special rates, and
appropriated and pledged the same respectively as security for such
several special loans: And whereas the said Council has already
raised parts of the amounts of some of such several authorized
15 special loans, and desires now to raise the whole of the amounts
of the said authorized special loans less the amounts so already
raised as aforesaid: And whereas the moneys required can be more
conveniently raised by one special loan instead of in several parts
by several special loans, and it is necessary for that purpose to
20 grant special powers to so raise such moneys and to provide a
special single security for securing the repayment thereof and the
interest thereon: And whereas the said special loans heretofore
authorized and the amounts already raised in respect of some of
such special loans are as set forth in the *First* Schedule to this
Act: And whereas, in respect of the special loan numbered 1 in
25 the said Schedule, it has been ascertained, as provided by section
eighteen of the said Act, that the amount authorized is insufficient
to complete the undertaking in respect of which it was authorized,
and for the purpose of completing such undertaking it is desirable
to authorize the borrowing of a further sum of ten thousand pounds

for the said undertaking, being one-tenth of the amount so authorized:

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

Short Title.

1. This Act may be cited as the Palmerston North Borough Loans Consolidation Act, 1921.

Interpretation.

2. In this Act, if not inconsistent with the context,—

“Borough” means the Borough of Palmerston North:

“Council” means the Council of the borough:

“The said Act” means the Local Bodies’ Loans Act, 1913:

“The consolidated loan” means the special loan of one hundred and eighty-six thousand four hundred pounds authorized by this Act.

Conferring authority on Palmerston North Borough Council to raise consolidated loan.

3. (1.) The Council is hereby authorized and empowered to raise one special consolidated loan of one hundred and eighty-six thousand four hundred pounds for the purposes of the undertakings specified in the *First* Schedule to this Act.

Security for loan.

(2.) As a security for the repayment of the consolidated loan and the interest thereon the Council shall, by resolution gazetted in the form No. 2 in the *First* Schedule to the said Act (with such modifications as may be deemed necessary), make and levy a special rate of threepence in the pound upon the rateable value of all rateable property in the borough. Such special rate shall, by virtue of this section and without further proceedings by the Council, be deemed to be appropriated and pledged as a security for the consolidated loan and the interest thereon.

(3.) The special rate so made shall be valid and effectual for all purposes, and its validity shall not be questioned in any Court.

(4.) All the provisions of Part I of the said Act (except sections eight to seventeen and sections twenty-six and twenty-seven thereof), and all the provisions of Parts V and VI of the said Act, shall, with the necessary modifications, apply in all respects to the consolidated loan and the security for the same and to the said special rate as if the consolidated loan were raised under the authority of the said Act.

Issue of debentures.

4. (1.) The consolidated loan shall be raised by the issue of debentures in the form No. 1 in the *Second* Schedule to this Act.

(2.) Such debentures shall be numbered consecutively so that no two debentures shall bear the same number.

(3.) All such debentures shall be either—

(a.) Signed by the Mayor of the borough and countersigned by the Town Clerk of the borough; or

(b.) Signed by the agents of the Council appointed as provided by section twenty-nine of the said Act.

(4.) The yearly interest named in such debentures shall not exceed *seven* per centum. If the consolidated loan is issued at a price less than par, the limit of rate of interest imposed by this subsection shall not be deemed to be exceeded by reason that the persons applying for or purchasing such debentures may thereby receive a greater rate of interest upon the sums actually invested.

(5.) Separate coupons for each sum payable as interest in the form numbered 2 in the *Second* Schedule to this Act shall be attached to each debenture, and shall be numbered consecutively for each debenture.

(6.) 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.

5 (1.) Each of the special rates made and pledged as security for the special loans numbered 1 and 2 in the *First* Schedule to this Act shall hereafter be deemed to be securities respectively for such part as has heretofore been raised of the special loan for securing which it was made, and the Council shall hereafter levy in each year only so much of any such special rate as in the opinion of the
10 Council will be sufficient to provide interest and sinking fund upon the part already raised of such special loan.

Restriction of authority of Council to levy existing special rates.

(2.) The Council shall not hereafter levy any special rate made and pledged as security for any of the special loans numbered 3, 4, 5, and 6 in the *First* Schedule to this Act, and such special rates
15 shall be deemed to be cancelled.

(3.) Where the Council has hypothecated debentures of any of the special loans specified in the *First* Schedule to this Act the Council shall redeem such debentures so hypothecated out of the proceeds of the consolidated loan, or alternatively may, with the
20 consent of the lender, substitute an hypothecation of debentures of the consolidated loan. In either case such originally hypothecated debentures shall be cancelled and destroyed.

(4.) Except as provided in the *last preceding* subsection, the Council shall apply the net proceeds of the consolidated loan for the
25 several purposes of the special loans specified in the *First* Schedule to this Act, in proportion to the several amounts specified in the last column of that Schedule, and not otherwise.

6. No person applying for, purchasing, taking, or holding debentures of the consolidated loan shall be concerned to inquire
30 whether any of the conditions in this Act defined have been performed by the Council or as to the application by the Council of the proceeds of the consolidated loan or any part thereof.

Protection of lenders.

SCHEDULES.

Schedules.

FIRST SCHEDULE.

| Title of Loan. | Amount authorized. | Amount already raised. | Balance not yet raised. |
|----------------------------------------------------------------------------------------|--------------------|------------------------|-------------------------|
| | £ | £ | £ |
| 1. Electric lighting | 100,000 | 22,100 | 77,900 |
| Additional 10 per cent. (as authorized by section 18 of Local Bodies' Loans Act, 1913) | 10,000 | ... | 10,000 |
| 2. Gas | 100,000 | 85,000 | 15,000 |
| 3. Omnibus | 9,000 | Nil | 9,000 |
| 4. Electrical traction and destructor | 24,500 | Nil | 24,500 |
| 5. Recreation-ground | 10,000 | Nil | 10,000 |
| 6. Gas extension | 40,000 | Nil | 40,000 |
| | | | £186,400 |

SECOND SCHEDULE.

No.

Form 1.

DEBENTURE.

Council of the Borough of Palmerston North, New Zealand.

CONSOLIDATED LOAN of £186,400, secured on a special rate of threepence in the pound upon the whole of the rateable property in the Borough of Palmerston North.

DEBENTURE for £ , payable at , on the day of , 19 , issued by the Council of the Borough of Palmerston North, New Zealand, under the Palmerston North Borough Loans Consolidation Act, 1921, and the Local Bodies' Loans Act, 1913.

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

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 the payment falls due, unless default is made in payment.

This debenture bears interest at the rate of per centum per annum, payable half-yearly on and in each year, on presentation of the attached coupons.

Issued under the common seal of the Corporation of the Borough of Palmerston North, the day of , 19 .

A. B., Mayor.
C. D., Town Clerk.
[or E. F., } Agents.]
G.H., }

Form 2.

COUPON.

DEBENTURE No. of the Council of the Borough of Palmerston North, New Zealand, issued under the Palmerston North Borough Loans Consolidation Act, 1921, and the Local Bodies' Loans Act, 1913, secured on a special rate of threepence in the pound upon the whole of the rateable property in the Borough of Palmerston North.

On presentation of this coupon at , on or after the day of , 19 , the bearer hereof will be entitled to receive £ .

A. B., Mayor.
C. D., Town Clerk.
[or E. F., } Agents.]
G.H., }