

Municipal Loans Further Validation.

Act No. 18, 1897.

MUNICIPAL LOANS
FURTHER
VALIDATION.

An Act to enable the Governor to validate certain Loans to Municipalities, and the securities, if any, therefor. [2nd December, 1897.]

Preamble.

WHEREAS the councils of certain municipalities other than those mentioned in the Schedule to the Municipal Loans Validation Act, 1895, have borrowed moneys, on debentures, or on mortgage, or without security on the credit of the land, personal property, or annual revenues belonging to the said municipalities respectively: And whereas the councils of the said municipalities respectively have failed to either observe or comply with the provisions of section one hundred and ninety of the Municipalities Act of 1867: And whereas in some cases the moneys have been borrowed for and applied in the payment of liabilities for permanent improvements effected before such loans were authorised by the Governor-in-Council: And whereas the same and other municipalities have borrowed money for the purposes mentioned in the first section of the Municipal Loans Act of 1888 without having first obtained the sanction of the Governor and Executive Council: And whereas it is expedient that power be given to the Governor to validate such loans and the securities (if any) given therefor: Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

Power of municipal
councils to borrow
money.

1. It shall be lawful for the Governor, by proclamation in the Government Gazette, to declare in respect of any such municipality that it shall become subject to the provisions of this Act as to all or any of the said moneys, and thereupon the council of such municipality shall be deemed to have had and to have duly exercised the power to borrow the said moneys or such portion thereof as shall be specified in the proclamation, and all debentures, mortgages, and other securities made or given by such council, and specified in such proclamation, shall be deemed and shall be as valid as if the provisions of section one hundred and ninety of the Municipalities Act of 1867, or of section one of the Municipal Loans Act of 1888, as the case may be, had been observed and complied with, and as if the moneys had been properly borrowed and applied thereunder: Provided that nothing in this Act or any such proclamation contained shall affect or prejudice any rights of priority duly acquired before the making of such proclamation as between creditors of the municipality named in such proclamation upon debentures, mortgages, or bonds, but subject to such priority the validated securities shall rank in the order of their date of creation. And it is hereby

Pymont Bridge.

hereby further provided that nothing in this Act shall extend to the motion of the Commercial Bank of Australia (Limited) against the Municipal District of Lambton in the Supreme Court of New South Wales, or affect any rights acquired or to be acquired therein, unless and until the costs of and incidental to the said motion and all proceedings thereon have been paid by the said bank. And in the case of the said municipal district all the debts thereof upon debentures and mortgages hereby validated shall rank and take priority in the order of date of their creation, and no order shall be made by any court entitling any mortgagee to receive the rates or any other revenue of the said municipal district so as to apply the same in payment or reduction of his debt in priority to the debt of any holder of a debenture of a date prior to his mortgage.

2. Notwithstanding any informality or illegality with regard to the raising of a loan of ten thousand pounds to pay off a sum or sums of money amounting to ten thousand pounds borrowed by the Municipality of Lismore, and secured by debentures falling due on or about the first day of October, one thousand eight hundred and ninety-six, such first-mentioned loan shall be a good and valid loan; and it shall be lawful for the said municipality to borrow a sum of ten thousand pounds upon the securities authorised by the Municipalities Act of 1867, the Municipal Gas Act of 1884, and the Municipal Gas Act Amendment Act of 1886, to pay off the same.

Validating loans of
the Municipality of
Lismore.

3. This Act may be cited as the "Municipal Loans Further Validation Act of 1897."

Short title.
