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Am 034-3 (1953)

CHAPTER 34. No. 3.

GENERAL LOCAL LOAN (MUNICIPAL CORPORATIONS).

AN ORDINANCE TO DECLARE THE TERMS AND CONDITIONS APPLICABLE TO LOCAL LOANS AUTHORISED TO BE RAISED BY MUNICIPAL CORPORATIONS.

Ordinance
Ch. 34. No.3-
1940.

[9th May, 1935.]

Commence-
ment.

1. This Ordinance may be cited as the General Local Loan (Municipal Corporations) Ordinance.

Short title.

2. This Ordinance shall be applicable only to loans raised locally in the Colony by the Port-of-Spain Corporation, the San Fernando Corporation and the Arima Corporation.

Scope.

3. Whenever by an Ordinance authority shall have been given to a Corporation (hereinafter referred to as the Corporation) to raise any sum of money for the purposes mentioned in such Ordinance, the Corporation may from time to time, as it may deem expedient, raise such sum by debentures issued under the provisions of this Ordinance.

Loans to be
raised by
debentures.

4. The principal moneys and interest represented by such debentures are hereby charged upon and shall be payable out of the general revenues and property of the Corporation, including any lands which may be specifically placed at the disposal of the Corporation under the provisions of any Ordinance:

Loans to be
a charge on
revenue of
Corporation.

Provided that this section shall not be deemed to confer any powers of alienating such lands other than are conferred by such Ordinance.

Borrowing
upon
debentures.

5. Such debentures shall be issued in the Colony upon the best and most favourable terms that can be obtained and shall be under the Seal of the Corporation and shall be signed by the persons holding the offices of Mayor and Town Clerk for the time being or by any other person or persons thereto specially authorised in accordance with any resolution passed by the Council of the Corporation:

Provided that the approval of the Governor in Council of the terms of issue is first had and obtained.

Amount of
each
debenture.

6. Each debenture may be for a sum of one hundred dollars, two hundred and fifty dollars, five hundred dollars, two thousand five hundred dollars or five thousand dollars.

Debentures
may be
either fixed-
date or
drawing
debentures.

7. The debentures shall be redeemable either—

(a) at par on a fixed date to be declared on the issue of the debentures, such date not being later than sixty years from the date of issue: Provided that the Corporation may reserve the option to redeem the debentures prior to such date on such conditions as may be declared at the time of issue (such debentures being hereinafter referred to as fixed-date debentures); or

(b) by annual drawings at par or at the option of the Corporation by purchase in the market as hereinafter provided (such debentures being hereinafter referred to as drawing debentures).

Interest
coupons.

8. There shall be attached to every debenture coupons for the payment of interest to become due in each half-year upon the principal represented by the debenture. The coupons shall be sufficient in number to provide for the payment of the interest, either during the whole period for which the debenture has to run, or for such limited periods as the Corporation may determine from time to time, not exceeding in their totality the whole period for which the debenture has to run.

Form of
debentures
and coupons.

9. The debentures and the coupons shall be in such form as the Corporation, with the approval of the Governor, may direct.

10. Every debenture and coupon and the right to receive the principal and interest represented thereby shall be transferable by delivery.

Debentures and coupons transferable by delivery.

11. Every debenture shall, before being issued, be registered in the register book to be kept for that purpose at the office of the Town Clerk and shall be numbered in regular numerical progression beginning with the number one.

Register of debentures.

12. (1) Upon proof to the satisfaction of the Corporation that any debenture issued under this Ordinance has been by accident lost or destroyed before the same shall be paid off, the Corporation may if the amount of such debenture be ascertained, issue a new debenture corresponding with the debenture so lost or destroyed; or if any debenture shall be overdue, the Corporation may cause the money due thereon to be paid off:

New debentures may be issued on proof that the original is lost, or destroyed and overdue money may be paid.

Provided that, before any debenture shall be renewed, or payment as aforesaid shall be made, the Corporation shall cause notice to be published for four consecutive weeks in the *Royal Gazette* and in at least one of the local newspapers circulating in the Colony of the particulars of the debenture alleged to be lost or destroyed, and shall take good security to be indemnified against any loss which might otherwise be incurred in case any debenture stated to have been lost or destroyed shall at any time afterwards be presented for payment, or interest should be claimed as due thereon.

Proviso that lost debentures be first advertised, and security by indemnity given.

(2) It shall be lawful for the Corporation before issuing any new debenture, or making any payment under the immediately preceding subsection to require the person applying for such debenture or payment to deposit with the Corporation such sum as the Corporation may think reasonable to pay for the expense of advertisement in the *Royal Gazette* and in a local newspaper and for the new debenture and for any other expense incidental to the issuing of such new debenture, or the making of such payment.

Person applying for such renewed debenture to pay expense incidental thereto.

(3) All expenses incurred by the Corporation incidental to the application for and issue of any such new

Expenses to be deducted from deposit made.

debenture shall be a debt due to the Corporation and shall be met in the first place from the deposit made as hereinbefore provided; any balance or the whole of the deposit, if no part is applied as aforesaid, shall be repaid to the depositor upon the issue of the new debenture.

Duplicate
debenture.

(4) Any such new debenture and the coupons attached thereto shall be stamped with the word "Duplicate."

Payment
of interest.

13. The interest upon the principal represented by each debenture shall run from the day named in that behalf in the debenture, and shall be paid half-yearly on the days named in that behalf in the debenture at the office of the Town Clerk of the Corporation.

Mode for
providing for
payment of
interest on
and for
redemption
of
debentures.

14. (1) So long as any of the debentures remain outstanding the Corporation shall, in each half-year ending with the day on which the interest on the debentures falls due, appropriate out of the general revenues and assets of the Corporation a sum equal to one half-year's interest on the whole of the debentures issued including any which may have been redeemed.

(2) The Corporation shall also in each such half-year commencing with that specified in the Ordinance authorising the loan, appropriate out of the said revenues and assets of the Corporation, for the formation of a sinking fund, an additional sum equal to one-half of the annual contribution to be decided upon by the Corporation with the previous sanction of the Governor in Council on the issue of such loan:

Provided that the Governor in Council may direct that such contribution shall be increased to such amount as may, in his opinion, be necessary to ensure the repayment of debentures at the due date. Such contribution shall be in respect of the total nominal amount of all the debentures including any which may have been redeemed.

(3) Debentures shall not be deemed to be outstanding for the purposes of this Ordinance by reason only that one or more of the debentures have not been presented for payment on the day appointed for payment and have, in consequence, not been paid.

15. In the case of fixed-date debentures, so much of the moneys appropriated as aforesaid as shall not be required for the immediate payment of interest shall be invested by the Corporation in any investments authorised by the Trustee Ordinance, or in the purchase of such securities as may be approved by the Governor in Council, for the formation of a sinking fund for the final extinction of the debt and the Corporation shall also similarly invest the dividends, interest or produce of such investments and may from time to time with the approval of the Governor change any such investments, and shall hold such fund in trust for the repayment of the principal moneys for the time being represented by the debentures:

Creation of sinking fund for redemption of debentures payable on a fixed date.

Provided that if at any time the Corporation is satisfied that the value of the fund will be sufficient with further accumulations of interest but without further payments of contributions to enable the debentures to be redeemed out of the proceeds of the sinking fund when the same shall fall due to be redeemed, the Corporation may, with the approval of the Governor in Council, suspend further payments of contributions to the said sinking fund:

Cesser of sinking fund contributions.

Provided further that contributions to the sinking fund shall be recommenced if the Corporation shall at any time inform the Governor that it is necessary.

16. In the case of drawing debentures, so much of the moneys appropriate as aforesaid as shall not be required for the immediate payment of interest and the accumulations thereon shall be held by the Corporation in trust to apply them to the purchase of the debentures when they can be obtained at a price not exceeding par, and, secondly, to the redemption of the debentures by means of annual drawings, in the manner following:—

Disposal of sinking fund when debentures are redeemed by purchase or by annual drawings.

(a) after the commencement of the contribution to the sinking fund in respect of any loan, and so long thereafter as any of the debentures remain outstanding, the Corporation shall, in every year, unless the whole of the money applicable in that year to the redemption of debentures has been applied in the purchase thereof, appoint a day in that year for the drawing by lot of the debentures to be redeemed;

Appointment of day for drawing of debentures.

Notice of time and place appointed for drawing.

(b) if a day is appointed for drawing, the Corporation shall give, by advertisement in the *Royal Gazette* and in at least one of the local newspapers circulating in the Colony, not less than fifteen days' previous notice, specifying the day on which, and the hour and place at which, the drawing will take place;

Mode of drawing.

(c) on the day and at the hour and place so specified the Corporation shall hold a public meeting of the Council of the Corporation, at which the holder of any debenture may, if he think fit, be present and shall then in the presence of such debenture holders as may attend, draw by lot, out of the whole number of debentures for the time being outstanding, debentures of the specified nominal amount;

Notice of debentures drawn for redemption.

(d) the Town Clerk of the Corporation shall thereupon declare the distinguishing numbers of the debentures drawn for redemption, and the Corporation shall, as soon as may be, by advertisement in the *Royal Gazette* and in at least one of the local newspapers circulating in the Colony, specify those numbers and appoint a day not being later as to each debenture than the day on which the then current half-year's interest thereon is payable, on which the principal moneys represented by the debentures so distinguished will be repaid;

Payment of drawn debentures.

(e) from and after the day so appointed the Town Clerk of the Corporation shall, at his office, pay on demand to the holders of the debentures drawn for repayment the principal moneys represented by those debentures, with all interest payable thereon up to the appointed day.

Cesser of interest from day appointed for payment of principal.

17. From and after the day appointed for the repayment of any debenture, whether a fixed-date debenture or a drawing debenture, all interest on the principal moneys represented thereby shall cease and determine, whether payment of the principal shall have been demanded or not.

Redeemed debentures to be cancelled.

18. Upon the repayment of the principal moneys represented by any debenture, such debenture with all the coupons thereunto belonging, shall be delivered up to the Town Clerk of the Corporation to be by him cancelled and retained.

Any drawing debenture redeemed by purchase shall likewise be so cancelled and retained.

19. (1) If at any time any interest due on any debenture shall remain unpaid for three months after demand therefor in writing has been lodged with the Town Clerk of the Corporation by the person entitled thereto or his duly authorised representative, application may be made by such person or his representative to the court for the appointment of a receiver of the property and revenues on which the debenture is secured.

Default in payment of interest.

(2) On the hearing of such application the court may make such order and give such directions as under the circumstances shall seem expedient for the raising and paying of the moneys due. In particular, the court may order and declare that a rate or rates of such amount or amounts as it shall fix be levied upon all rateable property within the municipality and such rate so ordered shall have the same incidence as any rate imposed by the Corporation, and may be enforced in like manner, and the proceeds thereof shall be paid into court or otherwise as the court shall direct.

20. (1) If at any time default shall be made in the repayment of any debenture after a period of one month from the date on which such debenture shall have become repayable, the like proceedings as in subsection (1) of section 19 may be instituted on the application of the person to whom such repayment shall be due or his duly authorised representative.

Default in repayment of loan.

(2) The court, on such application, in addition to any order which it is empowered to make under subsection (2) of section 19 may if it shall think fit order the sale of any property on which the debenture may be secured, subject always to the provisions of any Ordinance as regards the alienation of any lands vested in the Corporation under such Ordinance.

21. All expenses of or incidental to the redemption of the debentures and the costs and expenses of all notices required by this Ordinance to be given may be paid out of the sinking fund.

Expenses of redemption to be borne by sinking fund.

Exemption
from stamp
duty.

22. The debentures issued under this Ordinance and instruments for sale or transfer of such debentures shall be exempt from stamp duty.

Submission
of annual
estimates of
revenue and
expenditure.

23. Any Corporation, which is not required by any Ordinance to submit its annual estimates of revenue and expenditure for the approval of the Governor, shall so long as any loan issued under this Ordinance is outstanding submit for the approval of the Governor in Council a true estimate of the income receivable and the expenditure to be incurred during each financial year and no further sums shall be expended in any year thereafter than as provided in such approved estimates, unless the same shall have been included in a supplemental estimate of expenditure to be from time to time submitted for approval to the Governor in Council:

Provided that the Corporation may at any time during the year authorise a saving under any head or subhead of recurrent expenditure in such estimates to be applied to meet an excess under another head or subhead of recurrent expenditure.