

New Zealand.



ANALYSIS.

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1934, No. 2.—*Private.*

AN ACT to amend the Church Property Trust (Canterbury) Act, 1879, and to extend the Powers of the Church Property Trustees so as to enable such Trustees to amalgamate Investments of Trust Funds now or hereafter held by or vested in them. Title.

[28th September, 1934.]

WHEREAS it is expedient to extend the powers of the Church Property Trustees in reference to the investment of trust funds now or hereafter vested in or held by them so as to empower them to amalgamate as one investment fund in one Amalgamated Mortgages and Securities Investment Fund certain descriptions of securities, and also to deal with the income derived from the securities so amalgamated in one Amalgamated Mortgages and Securities Investment Fund Income Account in manner hereinafter set forth, and for that purpose to amend Part VIII of the said Act: And whereas it is Preamble.

expedient that all costs, charges, and expenses of and incidental to the preparing, obtaining, and passing of this Act should in the first instance be paid out of the income of the general trust estate administered by the Church Property Trustees, and that provision should be made in this Act for the reimbursing to the general trust estate the amount of the costs, charges, and expenses so paid out of the Amalgamated Mortgages and Securities Investment Fund Income Account proposed to be set up under this Act :

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 Church Property Trust (Canterbury) Amendment Act, 1934, and shall be read together with and be deemed part of the Church Property Trust (Canterbury) Act, 1879 (hereinafter referred to as the principal Act).

Principal Act amended.

2. Part VIII of the principal Act is hereby amended by the addition thereto, immediately after section fifty-seven thereof, under the subheading of "Authority for the Amalgamation of Mortgages and Securities Investments of Trust Funds", of the following new section, namely :—

"57A. The Church Property Trustees are hereby empowered in their discretion to amalgamate investments as hereinafter defined of Trust Funds now and from time to time hereafter held by or vested in them for diocesan, local, or other Church purposes in the Diocese of Christchurch in one investment fund as hereinafter defined :

"Provided always that such amalgamation shall be carried out upon and subject to the provisions hereinafter set forth, that is to say :—

"(1) (a) The investments which may be so amalgamated shall consist of—

"(i) Mortgages of land ;

"(ii) Government inscribed stock and bonds ;

"(iii) Local-body debentures ; and

"(iv) Future investments of the same nature.

"(b) No revenue derived from land other than mortgage interest shall be included in the amalgamation, and no land shall be so included, save and except such land as may after amalgamation, by reason of default made in

Defining investments which may be amalgamated and excluding land and land revenue.

any mortgage which is included in the amalgamation, fall into the hands of or become vested in the Trustees, which land and all revenue thereafter derived therefrom shall thenceforth be included in the amalgamation.

“(2) The investments which are hereinbefore authorized to be amalgamated shall be amalgamated in one investment fund, to be called in the books of the Trustees ‘Amalgamated Mortgages and Securities Investment Fund’.

Name of
amalgamated
investment
fund.

“(3) Upon amalgamation the capital share of each trust in the investments amalgamated shall be the amount at which in the books of the Trustees as on the thirtieth day of April immediately preceding the passing of this Act the capital share of each such trust in the investments included in the amalgamation was shown; and in the case of future investments shall be the amount of capital invested for each such trust; or in the case of any trust coming into the amalgamation at a later date (as herein-after authorized) shall be the amount of capital brought into the amalgamation at such amount as may be agreed with the Trustees with the concurrence of the Standing Committee.

How capital of
each trust to be
ascertained.

“(4) All income derived from the said amalgamated fund and the investments included therein shall be brought into one income account under the name of ‘Amalgamated Mortgages and Securities Investment Fund Income Account’.

Providing for
amalgamated
investment
income
account.

“(5) In each year there shall be credited out of the Amalgamated Mortgages and Securities Investment Fund Income Account to each trust represented in the Amalgamated Mortgages and Securities Investment Fund, in proportion to such trust's share of capital in such fund, interest at such uniform rate as may from time to time be determined by the trustees with the concurrence of the Standing Committee:

Providing for
uniform rate of
interest.

“Provided that in no case shall the rate determined be lower than one-half per centum below the average rate of interest from the whole of the investments comprised in the Amalgamated Mortgages and Securities Investment Fund taken together.

“(6) The Trustees shall also after amalgamation of the investments establish and maintain a Reserve Fund for the purposes hereinafter mentioned.

Reserve Fund to
be established.

Directing
payments into
Reserve Fund.

“(7) The Trustees shall at the end of each year after amalgamation pay or transfer from the Amalgamated Mortgages and Securities Investment Fund Income Account into such Reserve Fund all moneys which shall not have been paid or credited to the several trusts under subsection five hereof.

Providing for
separate
investment
of Reserve Fund.

“(8) The Reserve Fund shall be kept separate from all other trust funds, and shall be invested by the Trustees in New Zealand Government securities and in such local-body debentures or securities as are trustee investments.

Application of
income of
Reserve Fund
within defined
limits.

“(9) The annual income derived from the investments of the moneys comprised in the Reserve Fund shall be applied at the discretion of the Trustees with the concurrence of the Standing Committee in any one or more of the ways following, that is to say:—

“(a) Towards augmenting the Reserve Fund :

“(b) Towards stabilizing or increasing the income of the Amalgamated Mortgages and Securities Investment Fund :

“(c) Towards reinstating any losses of capital in the Amalgamated Mortgages and Securities Investment Fund.

Discretion as to
application of
capital of
Reserve Fund
in reinstating
losses of capital.

“(10) The capital of the Reserve Fund or any part thereof may at the discretion of the Trustees, with the concurrence of the Standing Committee, be applied in reinstating any losses of capital in the Amalgamated Mortgages and Securities Investment Fund.

Extent of
authority to
amalgamate
investments.

“(11) The amalgamation of investments hereby authorized shall, without further consent, extend to and include the amalgamation of the investments (hereinbefore specified) of all trust funds which under the Ordinances and Acts affecting or regulating Church property in Canterbury are placed under the general control of the Synod, and of all other trust funds now or hereafter held by the Trustees with the sanction of the Synod or of the Standing Committee, and also the like investments of all diocesan, local, parochial, and other trust funds now or hereafter held by the Trustees for the benefit of the diocese or any part thereof, or of any church or church institution therein, or any diocesan or local Church purpose unless within the time and in the manner set out in subsection twelve hereof request shall be made that the investments of any specific trust fund mentioned in such

request shall not be included in the Amalgamated Mortgages and Securities Investment Fund.

“(12) If the vicar and churchwardens of any parish or parochial or other district, acting on a motion duly passed at a general meeting of parishioners specially convened for that purpose, shall, by notice in writing signed by them and received by the Trustees not later than the thirtieth day of April next following the passing of this Act, request that the investments of the trust fund in which their parish or district is beneficially interested under a specific trust shall not be included in the amalgamation, then and in such case such investments shall not be so included :

Provision for exclusion of funds from amalgamation and subsequent inclusion.

“ Provided always that, subject to and in accordance with any regulations which may hereafter be made by the Synod in that behalf, the investments of any trust funds so excluded may at any future time, with the approval of the Standing Committee and the Trustees, and upon the request in writing of the vicar and churchwardens of any such parish or district, acting on a motion duly passed at a general meeting of parishioners specially convened for that purpose, be permitted to be brought into the amalgamation upon such terms as may then be arranged.

“(13) The Church Property Trustees shall furnish each year to the Standing Committee for submission to Synod a comprehensive schedule of all mortgages and other investments comprised in the Amalgamated Mortgages and Securities Investment Fund, together with a brief report on each.

Trustees to furnish annual schedule of securities.

“(14) Nothing in this Act shall prevent any donor or testator from expressly providing in his gift or trust that the funds given or bequeathed by him shall not be included in the amalgamated fund or shall compel the Trustees to include in such fund any mortgage security or investment given or bequeathed to them by any donor or testator which they do not wish to include therein :

Donors and testators may exclude funds from amalgamation.

“ Provided always that, unless expressly forbidden by any donor or testator as aforesaid, the Trustees shall include in the amalgamated fund all capital moneys received from the payment or other realization of the mortgage security or other investment which the Trustees may have declined to include in the fund.”

Costs and
disbursements,
how to be paid.

3. All costs, charges, disbursements, and expenses of and incidental to the preparing for, obtaining, and passing of this Act shall be charged against and be paid out of the income of the general trust estate, which shall be reimbursed from the income of the Amalgamated Mortgages and Securities Investment Fund when it is set up.

Private Act.

4. This Act is hereby declared to be a private Act.