

SENATE No. 396

To accompany the petition of W. Edwin Ulmer for legislation to terminate operation of the Boston Elevated Railway Company by the Commonwealth. Metropolitan Affairs.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Thirty-Eight.

AN ACT TO TERMINATE OPERATION OF BOSTON ELEVATED RAILWAY COMPANY BY THE COMMONWEALTH.

1 *Whereas*, The deferred operation of this act would
2 tend to defeat its purpose, therefore it is hereby de-
3 clared to be an emergency law, necessary for imme-
4 diate preservation of the public convenience.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. The general court of the common-
2 wealth hereby determines that it is contrary to public
3 policy for the commonwealth to continue operation
4 of the Boston Elevated Railway Company, and
5 hereby terminates such operation, in the following
6 manner:

1 SECTION 2. Special Acts of nineteen hundred and
2 eighteen, chapter one hundred and fifty-nine, and
3 acts of nineteen hundred and thirty-one, chapter
4 three hundred and thirty-three, are hereby repealed;

5 also all other special and general acts, or parts of
6 acts, inconsistent with this act, are hereby repealed.

1 SECTION 3. Immediately after the passage of this
2 act, and to consummate the purpose of same, Boston
3 Elevated Railway Company shall call and hold a
4 special meeting of common stockholders thereof, and
5 shall elect from said stockholders a board of seven
6 directors, by written ballot; said board shall imme-
7 diately thereafter elect from said directors, by written
8 ballot, a chairman, treasurer and secretary.

1 SECTION 4. Immediately after the election of the
2 board of directors, chairman, treasurer and secretary
3 of said company, as provided in section three, the
4 trustees of said company shall transfer and deliver
5 to said directors, chairman, treasurer and secretary
6 all the property, assets and credits of said company,
7 in the possession and control of said trustees.

1 SECTION 5. Upon the completion of the transfer
2 and delivery of said property, assets and credits of
3 said company, as provided in section four, the terms
4 of office of all trustees of Boston Elevated Railway
5 Company, and all officials and employees of said
6 company appointed by said trustees shall terminate,
7 and the salaries of said trustees, officials and em-
8 ployees shall cease.

1 SECTION 6. Immediately after the election of the
2 board of directors, chairman, treasurer and secre-
3 tary of said company and the transfer and delivery
4 to said company of said property, assets and credits,
5 the trustees of Boston metropolitan district shall

6 deliver to the treasurer and receiver general of the
7 commonwealth, all bonds of Boston Elevated Rail-
8 way Company and Boston metropolitan district, and
9 all money received from any source, together with
10 all books, papers, documents and all matters pertain-
11 ing to the trusteeship of said district.

1 SECTION 7. That upon the delivery of the bonds,
2 money and other documents specified in section six,
3 the terms of office of all trustees of Boston metropoli-
4 tan district, and all officials and employees of said
5 district appointed by said trustees shall terminate,
6 and the salaries of said trustees, officials and em-
7 ployees shall cease.

1 SECTION 8. The treasurer and receiver general
2 shall take over the funding and refunding of out-
3 standing bonded indebtedness of Boston metropolitan
4 district, and shall open a separate account wherein
5 shall be kept all receipts of interest paid by Boston
6 Elevated Railway Company on bonds formerly held
7 by said district; all bonds hereafter issued for the
8 purpose of refunding bonds formerly issued by said
9 district shall be printed in the same form and man-
10 ner as bonds formerly issued; the treasurer and re-
11 ceiver general is hereby authorized to use the name
12 of Boston metropolitan district on all new issues of
13 bonds for the purpose of refunding outstanding bonds
14 of said district, until all said outstanding bonds have
15 been paid in full; but is not authorized to use the
16 credit of said district.

1 SECTION 9. The treasurer and receiver general shall
2 establish a separate sinking fund for liquidating bonds

3 issued by said district, and shall cut the rate of sink-
4 ing fund interest being paid by Boston Elevated
5 Railway Company on all bonds held by said district,
6 to two per cent per annum in excess of interest paid
7 by said district on all outstanding bonds of said dis-
8 trict, in order to relieve said company from excessive
9 payment of sinking fund interest, and thereby pre-
10 vent a yearly deficit in the finances of said company.

1 SECTION 10. When all bonds issued by said dis-
2 trict have been paid in full through payment of in-
3 terest on bonds of said company held by the treasurer
4 and receiver general, or otherwise, then all bonds of
5 said company shall be cancelled and returned to said
6 company.

1 SECTION 11. After the receipt by Boston Elevated
2 Railway Company of all said property, assets and
3 credits from said trustees, said company shall be re-
4 turned to its original status of a corporation subject to
5 the provisions of the general laws of the commonwealth,
6 and shall not pay any dividends upon its common
7 stock until said company shall have earned an annual
8 surplus in excess of operating expenses and interest
9 on bonded indebtedness.

1 SECTION 12. This act shall take effect upon its
2 passage.