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By Mr. Holmes (by request), petition of James J. Kilroy for legislation relative to the issuance of stock by gas and electric companies. Power and Light.

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## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Sixty.

### AN ACT RELATIVE TO THE ISSUANCE OF STOCK BY GAS AND ELECTRIC COMPANIES.

*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. Section 14 of chapter 164 of the General Laws,  
2 as most recently amended by chapter 222 of the acts of 1935,  
3 is hereby further amended by striking out, in line 32, the word  
4 "stockholders" and inserting in place thereof the word: —  
5 directors, — so as to read as follows: — *Section 14.* Gas and  
6 electric companies shall issue only such amount of stock and  
7 bonds, and of coupon notes and other evidences of indebted-  
8 ness payable at periods of more than one year after the date  
9 thereof, as the department may from time to time vote is  
10 reasonably necessary for the purpose for which such issue of  
11 stock, bonds, coupon notes or other evidences of indebtedness  
12 has been authorized. The department may take into consid-  
13 eration any resources of the companies available or which  
14 might have been available for said purpose. The department  
15 shall render a decision upon an application for such issue with-  
16 in thirty days after the final hearing thereon. The decision  
17 shall be in writing, shall assign the reasons therefor, shall, if  
18 approving such issue, specify the respective amounts of stock,  
19 bonds, coupon notes or other evidences of indebtedness which  
20 are approved to be issued for the respective purposes to which  
21 the proceeds thereof are to be applied, and shall, within seven  
22 days after it has been rendered, be filed in the office of the de-  
23 partment. A certificate of the vote of the department shall,

24 within three days after such decision has been rendered, and  
25 before the stock, bonds, coupon notes or other evidences of  
26 indebtedness are issued, be filed in the office of the state sec-  
27 retary, and a duplicate thereof delivered to the corporation,  
28 which shall enter the same upon its records. A company sub-  
29 ject to this section shall not apply the proceeds of such stock,  
30 bonds, coupon notes or other evidences of indebtedness to any  
31 purpose not specified in such certificate. No application for  
32 the approval of an issue of stock shall be made unless author-  
33 ized by vote of the incorporators, if an original issue, or of  
34 the directors if an increase of stock, passed not more than four  
35 months prior to such application; but a vote of the stockhold-  
36 ers to increase the capital stock may be passed before or after  
37 the decision of the department.