

HOUSE No. 107

The Commonwealth of Massachusetts

DEPARTMENT OF PUBLIC UTILITIES,
167 STATE HOUSE, BOSTON 33, November 4, 1964.

The HONORABLE KEVIN H. WHITE, *Secretary of the Commonwealth*, State House,
Boston, Massachusetts.

DEAR SIR:— In accordance with the provisions of section 33 of chapter 30 of the General Laws, as amended, enclosed please find recommendations of the Department for proposed legislation for the 1965 General Court, together with petitions drawn to be filed with the Clerk of the House of Representatives.

Very truly yours,

NORMAN MASON,
Chairman.

RECOMMENDATIONS.

1. AN ACT MAKING CERTAIN CONTRACTS FOR SALE OF SECURITIES VOIDABLE AND ESTABLISHING A CAUSE OF ACTION FOR SALE OF SECURITIES IN VIOLATION OF CERTAIN PROVISIONS OF LAW.

This amendment to Chapter 110A forbids a person acting as agent for the purchase of a security unless he has advised the prospective purchaser that notice of intention of sale of said securities has been filed with the Department under Chapter 110A of the General Laws. This section would preclude a person acting as such an agent unless he has made full disclosure of the filing requirements of Chapter 110A for a prospective purchaser.

It further provides that any contract for the sale of any security made in violation of Chapter 110A shall be voidable at the election of a purchaser and spells out procedure for recovery by the purchaser from the seller of all monies paid in accordance with said contract. It further provides for a statute of limitation of two years within which the action must be brought for recovery of money so paid.

2. AN ACT ESTABLISHING STANDARDS FOR DISTRIBUTION SYSTEM OF A PROPOSED WATER COMPANY; PENALTY.

The purpose of this proposed legislation is to preclude the establishment of a water company without prior approval by the Department of Public Utilities of the proposed distribution system. It further provides that no building permit shall be issued by a local authority or a subdivision plan of land be allowed unless written approval of the distribution system by the Department has been filed with the local authority. In recent years the establishment of small water companies on undeveloped land has led to the problem of inadequate distribution systems and the cause of many complaints by the property owner to this Department. It is our belief that adoption of this proposed legislation would go a long way to solving this problem of inadequate distribution systems.