

# HOUSE . . . . No. 2215

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By Mr. Gibbons of Stoneham, petition of Charles Gibbons that provision be made for a debt equalization plan for the Metropolitan Transit Authority and for reduction of its fixed charges. Metropolitan Affairs.

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## The Commonwealth of Massachusetts

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In the Year One Thousand Nine Hundred and Forty-Nine.

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AN ACT PROVIDING FOR A DEBT EQUALIZATION PLAN FOR THE METROPOLITAN TRANSIT AUTHORITY AND FOR REDUCTION OF ITS FIXED CHARGES.

*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. Chapter 544 of the acts of 1947 is  
2 hereby amended by striking out the second para-  
3 graph of section 7 and inserting in place thereof the  
4 following paragraph: —

5 The authority is hereby authorized and directed  
6 to issue its bonds to an amount equal to the total  
7 amount of district bonds outstanding on June first,  
8 nineteen hundred and forty-nine, and to deliver said  
9 bonds to the district. Upon receipt of said bonds  
10 the district shall cancel all other bonds of the au-  
11 thority then held by it and return them to the au-  
12 thority. The new bonds so issued by the authority  
13 shall be dated April first, nineteen hundred and  
14 forty-nine, and payable two million dollars each

15 April first, starting April first, nineteen hundred and  
16 fifty, and continuing until the entire debt is extin-  
17 guished, and shall carry interest at the rate of two  
18 per cent per annum payable semi-annually April  
19 first and October first. Thereafter the district shall  
20 issue such bonds annually as will represent the differ-  
21 ence between the amount of its own debt both principal  
22 and interest maturing and the amount it receives  
23 annually from the authority on payment of the bonds  
24 and interest of the authority. Thereafter the au-  
25 thority shall make no further charges to its  
26 depreciation account.

1 SECTION 2. Chapter 544 of the acts of 1947 is  
2 hereby further amended by inserting after section 7  
3 the following new section:—

4 *Section 7A.* This district is hereby authorized  
5 and directed to issue its bonds and deliver them to  
6 the city of Boston on receipt only to an amount  
7 equal to the entire indebtedness of the city of Boston  
8 as represented by the amount of its subway bonds  
9 outstanding as of May first, nineteen hundred and  
10 forty-nine, less the amount in the sinking fund of  
11 the city of Boston reserved to pay such bonds as of  
12 May first, nineteen hundred and forty-nine. Such  
13 bonds so issued shall be dated May first, nineteen  
14 hundred and forty-nine, and shall mature in such  
15 manner that one half month before any city of Boston  
16 subway bonds (both principal and interest) mature  
17 there shall be bonds of the district maturing in like  
18 amount. Such bonds of the district so maturing  
19 shall bear a rate of interest identical with the interest  
20 rate being carried by the city of Boston subway bonds  
21 so maturing, to the effect that one half month before

22 maturity of principal and/or interest of any subway  
23 bonds of the city of Boston as of May first, nineteen  
24 hundred and forty-nine, the city of Boston shall be  
25 put in funds from the maturing principal and interest  
26 of bonds which it holds of the district to pay such  
27 principal and interest of its own bonds as are about  
28 to mature. After May first, nineteen hundred and  
29 forty-nine, the city of Boston shall not appropriate  
30 from any other source funds to meet the payment of  
31 the principal and interest on its subway bonds out-  
32 standing on May first, nineteen hundred and forty-  
33 nine. Thereafter the authority shall not make any  
34 further payments to the city of Boston for subway  
35 rentals.

