

HOUSE No. 3034

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, May 7, 1958.

The committee on Education to whom was referred the petition (accompanied by resolve, House, No. 1852) of Augustus J. Toomey for an investigation by a special commission (including members of the General Court) of the advisability of instituting a program of building self-amortizing dormitories at state colleges and the University of Massachusetts through the sale of revenue bonds, report the accompanying bill (House, No. 3034).

For the committee,

THOMAS C. WOJTKOWSKI.

The Commonwealth of Massachusetts

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

AN ACT INCORPORATING THE MASSACHUSETTS STATE COLLEGES DORMITORY CORPORATION FOR THE PURPOSE OF PROVIDING SELF-AMORTIZING DORMITORY FACILITIES AT ALL STATE INSTITUTIONS OF HIGHER LEARNING EXCEPT THE UNIVERSITY OF MASSACHUSETTS THROUGH THE SALE OF REVENUE BONDS.

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. Foster Furcolo, Alice M. Lyons, Alexander Brin,
2 Stuart Macmillan, William E. Park, William F. Looney, Martin
3 F. O'Connor, Edward J. Scanlon, Clement C. Maxwell, Fred-
4 erick Meiers, Eugene A. Sullivan, Ralph F. Weston, Eugene
5 Freel, Daniel H. O'Leary, Gordon L. Reynolds, Leslie B.
6 Coombs, Martin J. Lydon, John E. Foster, and their successors,
7 are hereby constituted a body corporate under the name of
8 Massachusetts State Colleges Dormitory Corporation for the
9 purpose of constructing, equipping and maintaining buildings
10 for dormitories connected with all state-operated institutions of
11 higher learning.

12 No funds of said corporation shall be distributed among its
13 own members other than those employed by it, but all such funds
14 shall be devoted solely to the carrying out of the purposes for
15 which said corporation is created.

1 SECTION 2. Said corporation shall have authority to hold for
2 the purpose aforesaid real and personal estate to an amount not
3 exceeding _____ dollars.

1 SECTION 3. The incorporators named in section one and their
2 successors shall constitute the members of said corporation and
3 its board of directors. Whenever a vacancy shall occur in said
4 membership and board the remaining members and directors
5 shall fill such vacancy.

1 SECTION 4. Said directors shall appoint a president, a treas-
2 urer, a clerk and such other officers as they may deem necessary,
3 and may prescribe their duties, and may require the treasurer
4 to give bond with satisfactory sureties in such sum as in their
5 discretion they may deem wise and expedient.

1 SECTION 5. Said corporation may make by-laws consistent
2 with law.

1 SECTION 6. The principal office of the corporation shall be
2 located in the city of Boston. The corporation may have such
3 offices in such other places within the commonwealth as may
4 be fixed by the board of directors.

1 SECTION 7. The trustees of said state institutions, or the
2 governing officials of said institutions if there are no trustees,
3 may, in the name of and for the commonwealth, lease to said
4 corporation land located in or near said institutions owned by
5 the commonwealth, for the erection and maintenance of dor-
6 mitories for the use of said institutions or its students. No such
7 lease shall become operative until it is approved by the governor
8 and council. Such leases may provide that any buildings erected
9 on such land shall remain the property of said corporation except
10 as hereinafter provided. Any building so leased shall become
11 the property of the commonwealth upon the payment in full of all
12 obligations incurred hereunder by said corporation with respect
13 to such buildings. No property or income of said corporation
14 shall be subject to local or state taxation. Said trustees or
15 other governing officials as aforesaid may, in the name of and
16 for the commonwealth, take leases of any buildings or real estate
17 owned by said corporation for dormitory use.

1 SECTION 8. Said corporation may borrow money and issue
2 bonds therefor, and may pledge as security for their payment
3 the rentals receivable under any lease made by said corporation
4 to said trustees, as hereinbefore provided. Such bonds, if se-
5 cured by a pledge of such rentals sufficient in amount to meet
6 the principal and interest of such bonds, shall be legal invest-
7 ments for savings banks in this commonwealth and for domestic
8 life insurance companies, and the income therefrom shall be
9 exempt from taxation in this commonwealth.

1 SECTION 9. The purposes of the corporation shall be to main-
2 tain, construct and equip dormitories at all state-operated insti-
3 tutions of higher learning.

4 In furtherance of such purposes and in addition to the powers
5 conferred on business corporations by the provisions of the
6 General Laws specified in section one, the corporation shall,
7 subject to the restrictions and limitations herein contained,
8 have the following powers: —

9 (a) To elect, appoint and employ officers, agents and em-
10 ployees; to make contracts and incur liabilities for any of the
11 purposes of the corporation.

12 (b) To raise money for any of the purposes of the corporation
13 by borrowing and to issue for such borrowing its bonds, deben-
14 tures, notes or other evidences of indebtedness, whether secured
15 or unsecured, and to secure the same by mortgage, pledge, deed
16 of trust or other lien on its property, franchises, rights and
17 privileges of every kind and nature or any part thereof or interest
18 therein.

19 (c) To purchase, receive, hold, lease, or otherwise acquire,
20 and to sell, convey, transfer, lease or otherwise dispose of real
21 and personal property, together with such rights and privileges
22 as may be incidental and appurtenant thereto and the use
23 thereof, including, but not restricted to, any real or personal
24 property acquired by the corporation from time to time in the
25 satisfaction of debts or enforcement of obligations.

26 (d) To receive money or other property, tangible or intangi-
27 ble, real, personal or mixed, by gift, bequest, devise, or other-
28 wise.

29 (e) To acquire, subscribe for, own, hold, sell, assign, transfer,
30 mortgage, pledge or otherwise dispose of the stock, shares,
31 bonds, debentures, notes or other securities and evidences of
32 interest in, or indebtedness of, any person, firm, corporation,
33 joint stock company, association or trust, and while the owner
34 or holder thereof to exercise all the rights, powers and privileges
35 of ownership, including the right to vote thereon.

1 SECTION 10. The business and affairs of the corporation
2 shall be managed and conducted by a board of directors, a
3 president, a treasurer, a clerk, and such other officers and such
4 agents as the corporation by its by-laws shall authorize. The

5 board of directors shall consist of such number, not less than
6 fifteen or more than fifty, as shall be determined in the first
7 instance by the incorporators and thereafter annually by the
8 members of the corporation. The by-laws may provide for the
9 classification of directors and for the classification of members
10 entitled to vote therefor; provided, that each member shall
11 be entitled to vote for the directors of at least one class. The
12 board of directors may exercise all the powers of the corporation
13 except such as are conferred by law or by the by-laws of the
14 corporation upon the members, and shall choose and appoint
15 all the agents and officers of the corporation and fill all vacancies
16 except vacancies in the office of director, which shall be filled
17 as hereinafter provided. The board of directors shall be elected
18 in the first instance by the incorporators and thereafter at each
19 annual meeting by the members of the corporation, or, if no
20 annual meeting shall be held in any year at the time fixed by
21 the by-laws, at a special meeting held in lieu of the annual
22 meeting. The directors shall hold office until the next annual
23 meeting of the corporation or special meeting held in lieu of the
24 annual meeting after the election and until their successors
25 are elected and qualified, unless sooner removed in accordance
26 with the provisions of the by-laws. Any vacancy in the office
27 of a director shall be filled by the directors.

28 Directors and officers shall not be responsible for losses of the
29 corporation or liable for the payment of any sum of money or
30 for damages or otherwise on account of any contract or obliga-
31 tion of the corporation except in case of the wilful misconduct of
32 such directors and officers.

1 SECTION 11. The corporation shall not deposit any of its
2 funds in any banking institution unless such institution has been
3 designated as a depository by a vote of a majority of the directors
4 present at an authorized meeting of the board of directors,
5 exclusive of any director who is an officer or director of the
6 depository so designated. The corporation shall not receive
7 money on deposit.

1 SECTION 12. The corporation shall make an annual report
2 of its condition to its members and shall file a copy thereof in
3 the office of the secretary of the commonwealth.

1 SECTION 13. The first meeting of the corporation shall be
2 called by a notice signed by three or more of the incorporators,
3 stating the time, place and purpose of the meeting, a copy of
4 which notice shall be mailed, or delivered, to each incorporator
5 at least five days before the day appointed for the meeting.
6 Said first meeting may be held without such notice upon agree-
7 ment in writing to that effect signed by all the incorporators.
8 There shall be recorded in the minutes of the meeting a copy
9 of said notice or of such unanimous agreement of the incorpora-
10 tors.

11 At such first meeting, the incorporators shall organize by
12 the choice, by ballot, of a temporary clerk, by the adoption
13 of by-laws, by the election by ballot of directors, and by action
14 upon such other matters within the powers of the corporation
15 as the incorporators may see fit. The temporary clerk shall
16 be sworn and shall make and attest a record of the proceedings.
17 Ten of the incorporators shall be a quorum for the transaction
18 of business.

19 Whenever the certificate required by section thirteen of
20 chapter one hundred and fifty-five of the General Laws has
21 been filed in the office of the secretary of the commonwealth,
22 said secretary shall issue and deliver to the incorporators a
23 certified copy of this act under the seal of the commonwealth,
24 and said corporation shall then be authorized to commence
25 business.

1 SECTION 14. The corporation shall not be subject to any of
2 the provisions of chapter sixty-three of the General Laws, nor
3 to any taxes based upon or measured by income which may be
4 hereafter enacted whether by the commonwealth or any sub-
5 division thereof; and the securities and evidences of indebted-
6 ness issued by the corporation established under the provisions
7 of this act, their transfer, and income therefrom, and deposits
8 of financial institutions invested therein, shall at all times be
9 free from taxation within the commonwealth.

10 Any holder of any securities or evidences of indebtedness who
11 realizes a loss from the sale, redemption or other disposition of
12 any securities or evidences of indebtedness of the corporation,
13 including any such loss realized on a partial or complete liqui-

14 dation of the corporation, and who is not entitled to deduct
15 such loss in computing any of such holder's taxes to the common-
16 wealth, shall be entitled to credit against any taxes subsequently
17 becoming due to the commonwealth from such holder, a per-
18 centage of such loss equivalent to the highest rate of tax assessed
19 for the year in which the loss occurs upon mercantile and busi-
20 ness corporations, as referred to in section two of chapter sixty-
21 three of the General Laws.

1 SECTION 15. The provisions of chapter one hundred and
2 ten A of the General Laws shall not apply to the bonds, debentures,
3 notes, evidences of indebtedness, or any other securities,
4 of this corporation.

1 SECTION 16. The period of duration of the corporation shall
2 be fifty years, subject, however, to the right of the members to
3 dissolve the corporation prior to the expiration of said period as
4 provided in section seventeen.

1 SECTION 17. The corporation may, upon the affirmative
2 vote of two thirds of the votes to which the members shall be
3 entitled, petition for its dissolution by order of the supreme
4 judicial or superior court, in the manner provided in section
5 fifty of chapter one hundred and fifty-five of the General Laws.
6 Upon any dissolution of the corporation the corporation's assets
7 shall be distributed as directed by the court which ordered such
8 dissolution.

1 SECTION 18. If the corporation shall fail to commence busi-
2 ness within three years from the effective date of this act, then
3 this act shall become null and void.

1 SECTION 19. Under no circumstances is the credit of the
2 commonwealth pledged herein.

1 SECTION 20. The provisions of this act are severable, and if
2 any of its provisions shall be held unconstitutional by any court
3 of competent jurisdiction, the decision of such court shall not
4 affect or impair any of the remaining provisions.

14 person of the corporation, and who is not entitled to voting
 15 such loss in computing any of such holder's taxes to the extent
 16 thereof shall be applied to credit against any tax so imposed,
 17 bearing due to the corporation with such holder, a por-
 18 tion of such loss equivalent to the highest rate of tax assessed
 19 on the year in which the loss occurs upon nonresidents and less
 20 the corporation, as related to its portion of capital stock,
 21 that of the General Laws.

1 Section 16. The provisions of chapter one hundred and
 2 one A of the General Laws shall not apply to the banks, trust-
 3 companies, banks, savings or individuals, or any other securities
 4 of the corporation.

5 Section 16. The period of duration of the corporation shall
 6 be fifty years, subject, however, to the right of the members to
 7 extend the corporation term to the expiration of said period as
 8 provided in section seventeen.

9 Section 17. The corporation may, upon the affirmative
 10 vote of two-thirds of the votes to which the members shall be
 11 entitled, petition for its dissolution by order of the superior
 12 court or superior court, in the manner provided in section
 13 fifty of chapter one hundred and fifty-five of the General Laws,
 14 if from any dissolution of the corporation the corporation's assets
 15 shall be distributed as directed by the court which orders such
 16 dissolution.

17 Section 18. If the corporation shall fail to commence busi-
 18 ness within three years from the effective date of this act, then
 19 this act shall become null and void.

20 Section 19. Under no circumstances is the credit of the
 21 corporation to be impaired.

22 Section 20. The provisions of this act are severable, and if
 23 any of its provisions shall be held unconstitutional by any court
 24 of competent jurisdiction, the decision of such court shall not
 25 affect or impair any of the remaining provisions.