

SENATE No. 41

To accompany the petition of Justin W. Lester relative to the restriction of the transfer of franchises, properties and works and change of the corporate business for corporations. Power and Light.

The Commonwealth of Massachusetts

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

An Act relative to the Restriction of the Transfer of Franchises, Properties and Works and Change of the Corporate Business for Corporations.

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 one hundred and sixty-four
2 of the General Laws is hereby amended by striking
3 out section twenty-one thereof and inserting in the
4 place and stead thereof the following:—

5 *Section 21.* A company, subject to this chapter,
6 shall not, except as otherwise expressly provided
7 transfer, sell, lease, or exchange all or any part of
8 its franchises, properties, or works required in carry-
9 ing on its business or contract for the carrying on
10 of its works unless such transfer, sale, lease, ex-
11 change or contract shall have been approved at
12 meetings called therefor by vote of at least two
13 thirds of all the stock outstanding and entitled to
14 vote of each of the contracting corporations and un-

15 less the department after notice and a public hear-
16 ing shall have approved the same and the terms
17 thereof as consistent with the public interest. A
18 stockholder in the corporation which shall have duly
19 voted to transfer its franchises or sell, lease, or ex-
20 change its properties or works or contract for the car-
21 rying on of its works as aforesaid, who, at the meet-
22 ing of stockholders held in connection therewith has
23 voted against such transaction, may if the department
24 shall approve such transaction and within thirty
25 days after the date of such approval make a written
26 demand upon the corporation for payment for his
27 stock. If the corporation and stockholder cannot
28 agree upon the value of the stock at the date of
29 such transfer, sale, lease, exchange or contract, such
30 value shall be ascertained on the petition of either
31 by the department. If the award of the department
32 is not paid by the corporation within thirty days
33 after it is made, it may be recovered in contract by
34 the stockholder from the corporation. Upon pay-
35 ment by the corporation to the stockholder of the
36 agreed or awarded price of his stock, the stock-
37 holder shall forthwith transfer and assign the stock
38 certificates held by him at and in accordance with
39 the request of the corporation.

1 SECTION 2. Section twenty-two of chapter one
2 hundred and sixty-four of the General Laws is
3 hereby amended by striking out the words "all its
4 stockholders" in the second line thereof and substi-
5 tuting therefor the words: — at least two thirds of
6 all the stock outstanding and entitled to vote, — so
7 as to read as follows: — *Section 22.* A corporation
8 subject to this chapter may, by a vote of at least

9 two thirds of all the stock outstanding and entitled
10 to vote at a meeting duly called for the purpose,
11 alter, add to or change the business for which it was
12 incorporated, but it shall not be empowered thereby
13 to engage in any business not authorized by this
14 chapter, and if a gas company, it shall not engage
15 in the business of making or selling electricity un-
16 less duly authorized to engage therein as provided
17 in the following section, and if an electric company,
18 it shall not engage in the business of making or
19 selling gas. A certificate setting forth such altera-
20 tion, addition or change, signed and sworn to by
21 the president, treasurer and a majority of the di-
22 rectors, shall be filed in the office of the state sec-
23 retary.

