

SENATE No. 239

To accompany the petition of the Savings Banks Association of Massachusetts, by George E. Brock, president, that savings banks be authorized to invest in certain equipment obligations or certificates. Banks and Banking.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Twenty-Two.

AN ACT

To authorize Savings Banks and Institutions for Savings to invest in Certain Equipment Obligations or Certificates.

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 fifty-four of chapter one hundred and
2 sixty-eight of the General Laws is hereby amended
3 by adding thereto the following:—

4 In equipment obligations or equipment trust
5 certificates; provided that such obligations or
6 certificates

7 (a) Mature not later than fifteen years from
8 their date.

9 (b) Be issued or guaranteed by a corporation
10 to which a loan or loans for the construction, ac-

11 quision, purchase or lease of equipment have
12 been made or approved by the interstate com-
13 merce commission, under authority conferred by
14 act of congress of the United States of America.

15 (c) Be the whole or part of any issue maturing
16 serially, annually or semiannually.

17 (d) Be secured by or be evidence of a prior or
18 preferred lien upon or interest in, or of reserva-
19 tion of title to, the equipment in respect of which
20 they have been issued or sold, and (or) by an as-
21 signment of or prior interest in the rent or pur-
22 chase notes given for the hiring or purchase of
23 such equipment.

24 And provided, further, that —

25 (e) The total amount of principal of such issue
26 of equipment obligations or trust certificates shall
27 not exceed sixty per cent of the cost or purchase
28 price of the equipment in respect of which they
29 were issued.

30 (f) The remaining forty per cent of said cost or
31 purchase price shall be paid by or for the account
32 of the railroad so constructing, acquiring, pur-
33 chasing or leasing said equipment, or by funds
34 loaned or advanced for the purpose by the govern-
35 ment of the United States or one of its agencies
36 or instrumentalities and subordinated in the event
37 of default, in respect of the lien or interest thereof,
38 upon or in such equipment and (or) in such equip-
39 ment or rent or purchase notes, to the lien or
40 interest of said prior or preferred equipment obli-
41 gations or equipment trust certificates.

