

HOUSE No. 1029

By Mr. Leyden of Worcester, petition of The Public Franchise League that ownership or control of gas and electric companies be restricted. Power and Light.

The Commonwealth of Massachusetts

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

An Act relative to Ownership and Control of Gas and Electric Companies.

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 as amended is hereby further
3 amended by inserting after section ten the following
4 new section:—

5 *Section 10A.* Except as provided in sections nine
6 and nine A, no corporation subject to the provisions
7 of this chapter, unless authorized by a special act still
8 in force, shall purchase, acquire, take or hold, directly
9 or indirectly, more than ten per cent of the total capital
10 stock of any other corporation subject to the provi-
11 sions of this chapter, unless authorized by a special act
12 of the general court, upon recommendation of the
13 department.

1 SECTION 2. The provisions of sections two, three,
2 four, five and six of this act shall apply to all voluntary

3 associations and trusts created by or operating under
4 a written instrument or declaration of trust, the owner-
5 ship of which or the beneficial interest under which is
6 divided into or represented by transferable certificates
7 of participation or shares, and which own or control,
8 directly or indirectly, (a) more than ten per cent of the
9 capital stock with voting powers of any gas or electric
10 company subject to chapter one hundred and sixty-
11 four of the General Laws, or (b) the capital stock or any
12 part thereof of two or more such gas or electric com-
13 panies, or (c) any security or securities, as defined in
14 chapter one hundred and ten A of the General Laws,
15 of any other such voluntary association or trust.

1 SECTION 3. No voluntary association or trust sub-
2 ject to the provisions of this act shall acquire, directly
3 or indirectly, ownership or control of the capital stock
4 or any part thereof, of any gas or electric company
5 subject to chapter one hundred and sixty-four of the
6 General Laws, without special authorization of the
7 general court, upon recommendation of the depart-
8 ment of public utilities. Any transfer of ownership
9 or control of such capital stock in violation hereof shall
10 be null and void.

1 SECTION 4. No voluntary association or trust sub-
2 ject to the provisions of this act or officer, agent or
3 trustee thereof shall be entitled to vote, directly or
4 indirectly, any stock acquired in violation of section
5 three. Any gas or electric company or officer or agent
6 thereof knowingly permitting a violation of the pro-
7 visions of this act shall be punished by a fine of one
8 thousand dollars and the charter and franchise of such
9 company shall be subject to forfeiture.

1 SECTION 5. No voluntary association or trust sub-
2 ject to the provisions of this act shall hereafter acquire,
3 directly or indirectly, ownership or control of any
4 security or securities, as defined in chapter one hundred
5 and ten A of the General Laws, of any other voluntary
6 association or trust subject to the provisions of this act.
7 Any transfer of ownership or control of any such
8 security in violation of this section shall be null and
9 void.

1 SECTION 6. Any officer, agent or trustee of any
2 voluntary association or trust subject to the provisions
3 of this act who knowingly participates in any transfer
4 or acquisition of ownership or control in violation of the
5 provisions of section five shall be punished by a fine of
6 one thousand dollars.

