

HOUSE No. 8

Accompanying the first recommendation of the Board of Trustees of the Boston Elevated Railway Company (House, No. 7). Metropolitan Affairs.

The Commonwealth of Massachusetts

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

An Act relative to Purchase of Bonds of the Boston Elevated Railway Company by the Boston Metropolitan District.

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. The trustees of the Boston metro-
2 politan district, hereinafter called the district, in the
3 name and on behalf of the district, may from time to
4 time during the continuance of public management
5 and operation of the Boston Elevated Railway Com-
6 pany, if they deem it in the interest of the district
7 so to do, at the request of the board of trustees of
8 the Boston Elevated Railway Company, purchase
9 bonds of the Boston Elevated Railway Company,
10 hereinafter called the company, hereafter issued or
11 re-issued under authority of section eighteen of chap-
12 ter three hundred and thirty-three of the acts of nine-
13 teen hundred and thirty-one for the purposes of

14 paying or refunding bonds, coupon notes or other
15 evidences of indebtedness payable at periods of more
16 than one year from the date thereof, or hereafter
17 issued or re-issued for the purposes of paying or re-
18 funding bonds sold to the district under authority of
19 chapter two hundred and thirty-five of the acts of
20 nineteen hundred and thirty-three or of chapter three
21 hundred and thirty-four of the acts of nineteen hun-
22 dred and thirty-four or of chapter four hundred and
23 fifty-one of the acts of nineteen hundred and thirty-
24 five or of this act. Notwithstanding anything con-
25 tained in general or special laws, the company, sub-
26 ject to the approval of the department of public utili-
27 ties, may issue and re-issue bonds, coupon notes, or
28 other evidences of indebtedness payable at periods
29 of more than one year from the date thereof for the
30 purposes of paying or refunding again and again bonds
31 issued or re-issued under authority of said section
32 eighteen, said chapter two hundred and thirty-five,
33 said chapter three hundred and thirty-four, said chap-
34 ter four hundred and fifty-one, or of this act and the
35 same shall not be subject to the limitations contained
36 in section twenty-nine of chapter one hundred and
37 sixty-one of the General Laws. The trustees of the
38 district shall in the case of each such purchase pro-
39 cure the funds necessary therefor by the issue of bonds
40 or notes of the district under and in the manner pro-
41 vided in section ten of chapter three hundred and
42 eighty-three of the acts of nineteen hundred and
43 twenty-nine and section two of chapter one hundred
44 and forty-seven of the acts of nineteen hundred and
45 thirty-two and the provisions of said sections shall
46 apply thereto in the same manner and to the same
47 extent as if such bonds or notes of the district were

48 specifically authorized in said chapter three hundred
49 and eighty-three; provided that any bonds or notes
50 of the district issued under authority of this act shall
51 be for such terms not less than one year and not ex-
52 ceeding fifty years from the date thereof, and shall
53 bear interest payable semi-annually at such rates,
54 as said trustees of the district, subject to the approval
55 of the department of public utilities, shall from time
56 to time determine. Said bonds or notes of the dis-
57 trict may be issued on either the sinking fund or
58 serial payment plan, and, if issued on the serial
59 payment plan, the trustees of the district shall en-
60 deavor so to arrange the maturities thereof that the
61 bonds maturing each year other than the final year
62 will be met by the amounts available from interest
63 upon the bonds purchased. All amounts received by
64 the district from said interest on each such bond
65 issue of the company shall be applied in payment of
66 interest and principal, as and when due, of the notes
67 and bonds of the district issued to provide funds for
68 the purchase of such bond issue of the company, and
69 any balance shall be accumulated in a sinking fund
70 to be used for such purpose, as and when required.
71 All amounts received by the district in payment of
72 each such bond issue of the company shall be applied
73 in payment of bonds of the district issued hereunder
74 to provide funds for the purchase of such bond issue
75 and the balance shall be accumulated in a general
76 sinking fund for any bonds of the district issued under
77 this act and any further balance in a general sinking
78 fund for any other bonds of the district then outstand-
79 ing. Said sinking funds shall be invested as provided
80 in section eleven of said chapter three hundred and
81 eighty-three.

1 SECTION 2. Each bond issue of the company so
2 purchased shall be for such term or terms as the
3 trustees of the company with the approval of the
4 trustees of the district may determine but not beyond
5 the latest maturity of the bonds or notes of the dis-
6 trict issued to provide funds for the purchase of such
7 bond issue of the company, and shall bear interest
8 payable semi-annually at a rate two per centum
9 higher than the rate payable upon said bonds or
10 notes of the district. In the event that said bonds
11 or notes of the district are sold at a premium above
12 or a discount below par, the bond issue of the com-
13 pany purchased with the proceeds thereof shall be
14 purchased by the district at the same premium above
15 or discount below par. Said bonds of the company,
16 both as to income and principal, are hereby made
17 exempt from all taxes levied under authority of the
18 commonwealth while held by the district and shall
19 contain a recital to such effect. Said bonds of the
20 company shall not be disposed of by the district
21 without authority of the general court. The pro-
22 ceeds of said bonds of the company shall be used by
23 it only for the purposes hereinbefore set forth.

1 SECTION 3. The company shall reimburse the dis-
2 trict, at the request of the trustees thereof, for all
3 expenses incidental to the authorization, preparation,
4 issue, registration and payment of interest and prin-
5 cipal of the aforesaid bonds or notes of the district.