

EXTRA SESSION.

SENATE No. 667

Accompanying the Report of the Street Railway Commission.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Nineteen.

AN ACT

To give the Trustees of the Boston Elevated Railway Company Greater Latitude in fixing Fares.

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. Section six of chapter one hun-
2 dred and fifty-nine of the Special Acts of nineteen
3 hundred and eighteen is hereby amended by
4 striking out the first three lines and the words
5 "service, which", at the beginning of the fourth
6 line, and inserting in place thereof the words:—
7 The cost of the service, for the purposes of this
8 act, — also by striking out the word "they", in
9 the fifth line, and inserting in place thereof the
10 words:—"the trustees,"—and by striking out

11 the comma in the sixth line, — so as to read as
12 follows: — *Section 6.* The cost of the service, for
13 the purposes of this act, shall include operating
14 expenses, taxes, rentals, interest on all indebted-
15 ness, such allowance as the trustees may deem
16 necessary or advisable for depreciation of prop-
17 erty and for obsolescence and losses in respect to
18 property sold, destroyed, or abandoned, all other
19 expenditures and charges which under the laws
20 of the commonwealth now or hereafter in effect
21 may be properly chargeable against income or
22 surplus, fixed dividends on all preferred stock of
23 the company from time to time outstanding, and
24 dividends on the common stock of the company
25 from time to time outstanding at the rate of five
26 per cent per annum on the par value thereof
27 during the first two years, five and one half per
28 cent per annum on the par value thereof during
29 the next two years, and six per cent per annum
30 on the par value thereof during the balance of
31 the period of public operation. Dividends upon
32 the common shares shall be payable quarterly,
33 but no dividends shall be paid upon such common
34 shares in excess of the rates herein specified.
35 The first payment shall be made at the expiration
36 of six months from the commencement of public
37 operation, and the total of the first three quar-
38 terly dividend payments shall be five per cent
39 on the par value of the common stock.

1 SECTION 2. Said chapter one hundred and
2 fifty-nine is hereby amended by striking out

3 section seven and inserting in place thereof the
4 following: — *Section 7.* The trustees shall fix,
5 publish and put into effect, and may alter at
6 any time after reasonable publication of the
7 changes to be made, rates of fare and transfer
8 privileges, which may be based wholly or in part
9 and generally or in particular cases upon the
10 ride, the zone or territory traversed, the distance
11 transported, or otherwise as the trustees may
12 determine. These rates and privileges shall
13 always be such as will, in the judgment of the
14 trustees, produce sufficient income when added
15 to any other income properly available therefor,
16 to meet the cost of the service as defined in sec-
17 tion six, if, but not unless, they can, in the judg-
18 ment of the trustees, be so fixed without unduly
19 hampering or discouraging the proper use of the
20 company's system by the public or the economic
21 development of the communities served or other-
22 wise injuriously affecting the general public
23 interest; otherwise they shall always be the
24 rates and privileges that in the judgment of the
25 trustees will produce income as nearly as possible
26 sufficient to meet such cost of the service without
27 producing any of the injurious results above
28 specified. During the period of public manage-
29 ment and operation, if the rates of fare fixed by
30 the trustees are at any time considered by any
31 of the cities and towns served by the company's
32 system to be higher than is compatible with the
33 best interests of such cities or towns, any one or
34 more of such cities and towns may petition the

35 public service commission (hereinafter called
36 "the commission") for leave to contribute to the
37 income of the company a stated sum not to ex-
38 ceed two dollars for each thousand dollars of the
39 total assessed valuation of the city or town or
40 cities and towns so desiring to contribute, as such
41 valuation is determined for the assessment of the
42 state tax. *Such petition shall be authorized in
43 cities by a vote of the city council approved by
44 the mayor and in towns by a vote of the selectmen.
45 In cities where the city council is composed of
46 more than one branch, such vote shall be the vote
47 of a majority of the whole council sitting together
48 in joint session. Notice of the filing of any such
49 petition shall forthwith be sent by the commis-
50 sion to the mayor of each city and to the select-
51 men of each town served in the judgment of the
52 commission by the company's system. Cities
53 and towns so served other than the first peti-
54 tioner may, by similar vote, authorize and file with
55 the commission within sixty days from the filing
56 of the first petition, similar petitions, each stating
57 the desire of the petitioner to contribute a sum
58 bearing the same proportion to the petitioner's
59 assessed valuation as that stated in the first
60 petition. The commission shall thereupon, after
61 notice to the trustees, to the directors of the
62 company, and to the mayor of each city and the
63 selectmen of each town petitioning, hold a public
64 hearing, and if it approves the proposed action,
65 shall grant the petitions. Thereupon the cities
66 and towns petitioning shall, subject to the fol-

67 lowing provisions, be authorized to pay from
68 any moneys in their hands available for general
69 city expenses, or to raise by taxation, or to bor-
70 row, in excess of their present debt limit, upon
71 such terms and security as they may determine
72 by vote of the officers or bodies having control
73 over levies or borrowings, the sums authorized
74 to be contributed by them. If at the expiration
75 of said period of sixty days each city and town
76 found by the commission to be served by the
77 company's system has not filed a similar petition,
78 and if after a hearing as aforesaid the commis-
79 sion has granted the petitions filed, the question
80 whether every city and town so served shall
81 contribute a sum bearing the same relation to
82 the assessed valuation of such city and town as
83 do the sums stated in said petitions shall be
84 submitted by a referendum vote in the manner
85 following to the voters of every city and town
86 so served. The commission shall apply to the
87 secretary of state for the submission of such
88 question to such voters at the next state election
89 to be held not earlier than three months after
90 the date of filing such application with the sec-
91 retary of state or at a special election to be held
92 as soon as practicable after the expiration of such
93 three months' period if the next regular state
94 election is to be held within such three months'
95 period, or, if no regular state election is to be
96 held, within one year from the expiration of such
97 three months' period, and the secretary of state
98 shall place such question on the ballot and cause

99 such election to be held. Returns of such elec-
100 tion shall be canvassed by the governor and
101 council with the assistance of the secretary of
102 state, and the result shall be certified by the
103 secretary of state to the mayor and council of
104 each city and the selectmen of each town. If
105 such question is decided in the affirmative by a
106 majority of the aggregate number of qualified
107 voters voting on the question in all such cities
108 and towns, and by a majority of such cities
109 and towns (each by a majority of the voters
110 voting on the question in such city or town),
111 each of the cities and towns so served shall
112 thereby become bound to pay a sum bearing
113 the same relation to its assessed valuation as
114 the sums stated in said petitions, and shall be
115 authorized to pay, raise or borrow said sums as
116 above provided in case of a joinder of all such
117 cities and towns in the petitions. After the
118 payment to the trustees of any such sum or
119 sums, the trustees shall, as soon as practicable,
120 apply such sum or sums to the reduction of the
121 fares charged in respect of the service received
122 by the residents of the city or town or cities
123 and towns so contributing. The commission
124 shall have supervision over such application,
125 and may make such order or orders relative
126 thereto after notice to all parties and a public
127 hearing as it may deem best.

1 SECTION 3. Section ten of said chapter one
2 hundred and fifty-nine is hereby repealed.

1 SECTION 4. This act shall take effect upon
2 its acceptance by the holders of not less than a
3 majority of all the stock of the Boston Elevated
4 Railway Company and by the holders of not
5 less than a majority of all the stock of the West
6 End Street Railway Company, given at meet-
7 ings called for the purpose, and the filing of
8 certificates of acceptance with the secretary of
9 the commonwealth.

