

HOUSE No. 1144

Bill accompanying the petition of William J. Conlon relative to the issuing of negotiable shares by trustees transacting business under written declarations of trust. Joint Judiciary. January 23.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Twenty.

AN ACT

Relative to the Issuing of Negotiable Shares by Trustees
under Written Declarations of Trust.

*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. No business transacted in this common-
2 wealth by trustees under a written declaration of trust,
3 other than trusts organized solely to own and hold real
4 estate, shall issue negotiable shares unless said declaration
5 of trust shall provide the right to the holders of said
6 shares to vote annually for the board of trustees. The
7 terms of office of all trustees holding office under existing
8 declarations of trust recorded in this commonwealth, which
9 have outstanding negotiable shares other than real estate
10 trusts, shall expire six months after the passage of this
11 act.

12 No business transacted by trustees under a written
13 declaration of trust in this commonwealth shall issue
14 negotiable shares if the purposes stated in the declaration
15 of trust includes the authority to lend or invest money in
16 the discretion of the trustees, or such other purposes as,
17 if granted to a corporation, would require a certificate of
18 the board of bank incorporation before a charter could be
19 issued.

20 Existing businesses conducted by trustees under a
21 declaration of trust violating the provisions of this act
22 shall be reorganized as a corporation within six months of
23 the passage of this act, or its right to do business in this
24 commonwealth shall thereupon cease.

1 SECTION 2. Any person violating the provisions of this
2 act shall be punished by a fine of not more than one
3 thousand dollars or imprisonment of not more than one
4 year, or both.

1 SECTION 3. This act shall take effect upon its passage.

