

HOUSE No. 1188.

[Moved as a substitute by Mr. Myers of Cambridge for the Bill
printed as Senate No. 75.]

Commonwealth of Massachusetts.

In the Year One Thousand Eight Hundred and Ninety-six.

AN ACT

Relative to the increase of the Capital Stock of Street Rail-
way 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. Section fifteen of chapter one hundred
2 and thirteen of the Public Statutes, as amended by chap-
3 ter three hundred and sixty-six of the acts of the year
4 eighteen hundred and eighty-seven, is hereby amended
5 by striking out in the nineteenth, twentieth and twenty-
6 first lines, the words "but no increase shall be allowed
7 beyond the value of the property of the company,
8 including the cash to be paid in on such increase," and
9 inserting in place thereof the words "If it appears that
10 the value of the real and personal property of the

11 company, exclusive of its franchise, is less than its out-
12 standing capital stock and net debt, so that the capital
13 stock is impaired, the board, when allowing such
14 increase, may prescribe to the company such con-
15 ditions and requirements as it deems best adapted
16 to repair the capital stock within a reasonable time;
17 or, before allowing an increase, may require the
18 capital stock to be reduced by a prescribed amount
19 not exceeding the amount of impairment. The
20 amount of impairment and the condition and require-
21 ments imposed shall be stated in the annual report of the
22 board;" also by adding at the end of the section the
23 words, "and may in like manner be compelled to comply
24 with any condition or requirement prescribed as afore-
25 said;" so as to read as follows:—

26 *Section 15.* The directors of any street railway com-
27 pany, on being thereto duly authorized by its stockhold-
28 ers, may from time to time petition the board for leave
29 to increase its capital stock beyond the amount fixed and
30 limited by its articles of association or by any act of the
31 general court concerning the same, for the purpose of
32 building and equipping a branch or extension of its road
33 upon a location duly granted or extended as provided by
34 law, or for other necessary and lawful purposes set forth
35 in the petition; and the board, after an examination of
36 the assets and liabilities of the company and a hearing on
37 the petition, if it appears that the proposed purpose is
38 lawful and consistent with the public interest, and that an
39 increase of capital is necessary in order to enable the
40 company to carry out the same in good faith, may by an
41 order in writing allow such necessary increase, specify-
42 ing the amount thereof and the purposes for which the
43 same is allowed. If it appears that the value of the real
44 and personal property of the company, exclusive of its
45 franchise, is less than its outstanding capital stock and

46 net debt, so that the capital stock is impaired, the board,
47 when allowing such increase, may prescribe to the com-
48 pany such conditions and requirements as it deems best
49 adapted to repair the capital stock within a reasonable
50 time; or before allowing an increase, may require the
51 capital stock to be reduced by a prescribed amount not
52 exceeding the amount of impairment. The amount of
53 impairment and the conditions and requirements imposed
54 shall be stated in the annual report of the board. A cer-
55 tificate showing the amount and purposes of the increase
56 so allowed shall forthwith be filed in the office of the sec-
57 retary of the Commonwealth. The company shall not
58 apply such increase or the proceeds thereof to any pur-
59 pose not specified in the order of the board, and may be
60 enjoined from so doing by any justice of the supreme
61 judicial or superior court upon application of the board
62 or of any interested party, and may in like manner be
63 compelled to comply with any condition or requirement
64 prescribed as aforesaid.

1 SECT. 2. This act shall take effect upon its passage.

