

HOUSE No. 889.

[Bill accompanying the petition of Edward B. Fuller for legislation to amend the laws relative to the assets of street railway companies upon which stocks and bonds are issued. Street Railways. Feb. 4.]

Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and One.

AN ACT

To amend an Act relative to the Issue of Mortgage Bonds by Street Railway 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 one of chapter three hun-
2 dred and sixteen of the acts of the year eighteen
3 hundred and eighty-nine, as amended by section
4 one of chapter one hundred and ninety-two, of
5 the acts of the year eighteen hundred and ninety-
6 two is hereby further amended by inserting after
7 the word "purposes," in the twenty-fifth line of
8 said section one of said chapter three hundred and
9 sixteen, the words: — at the time such constructed

10 tracks, equipments, real and personal property are
11 acquired by said company, — so that said section
12 as amended shall read as follows:—

13 *Section 1.* A street railway company, by a
14 vote of a majority in interest of its stockholders,
15 at a meeting called for the purpose, may authorize
16 the issue of coupon or registered bonds secured
17 by mortgage, to provide means for construction
18 and equipment, and for funding so much of its
19 floating debt as may have been incurred for con-
20 struction or for the purchase of such real or
21 personal estate as may have been necessary or
22 convenient for the operation of its road, or for the
23 purpose of refunding its funded debt, or to pro-
24 vide means for building and equipping a branch
25 or extension, upon a location duly granted or
26 extended, or for the contemplated purchase of
27 such additional real and personal property as may
28 be necessary or convenient for the operation of its
29 railway: *provided*, that the board of railroad
30 commissioners, after an examination of the assets
31 and liabilities of the company and such further
32 investigation as it deems requisite, shall by vote
33 approve of such issue as being consistent with the
34 public interests. The vote of approval shall
35 specify the amount of the issue, the rate of in-
36 terest, which in any case shall not exceed six per
37 centum per annum, and the purpose to which the
38 proceeds shall be applied; and no such issue shall
39 be authorized unless in the opinion of such board
40 the value of the constructed tracks, the equip-
41 ments, and the other real and personal property

42 of the company, taken at a fair value for railway
43 purposes at the time such constructed tracks,
44 equipments, real and personal property are
45 acquired by said company, and excluding the val-
46 ue of the franchise, equals or exceeds the amount
47 of the capital stock outstanding and the debt. A
48 certificate setting forth the vote of approval shall
49 be filed in the office of the secretary of the Com-
50 monwealth before such bonds are issued. The
51 company shall not apply the proceeds of such
52 bonds to any purpose not specified in the vote of
53 the board, and may be enjoined from so doing by
54 any justice of the supreme judicial or superior
55 courts, upon application of the board or any
56 interested party. Such bonds shall be secured
57 by a mortgage of a part or of the whole of the
58 railway of such company, and its equipments,
59 franchise and other property, real and personal.
60 The bonds may be issued in sums of not less than
61 one hundred dollars each, payable at periods not
62 exceeding twenty years from the date thereof,
63 and each bond shall be recorded by the treasurer
64 in books to be kept in his office.

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

