

By Mr. Mendonca, a petition of George G. Mendonca for legislation to provide for state guaranty of private loans to certain motorbus operators for purchase of modern motorbuses and equipment, to foster the development and use of more modern and safer operating equipment by such carriers, and for other purposes. Transportation.

The Commonwealth of Massachusetts

In the year One Thousand Nine Hundred and Seventy-Two.

AN ACT TO PROVIDE FOR STATE GUARANTY OF PRIVATE LOANS TO CERTAIN MOTORBUS OPERATORS FOR PURCHASE OF MODERN MOTORBUSES AND EQUIPMENT, TO FOSTER THE DEVELOPMENT AND USE OF MORE MODERN AND SAFER OPERATING EQUIPMENT BY SUCH CARRIERS, AND FOR OTHER PURPOSES.

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. That (a) in the interest of the overall com-
 2 merce of Massachusetts, the Commonwealth's transportation
 3 policy, and the public needs, it is declared to be the policy of
 4 this Act to promote the beneficial development, public use of,
 5 and financial soundness of the State's intercity highway pas-
 6 senger bus industry.

7 (b) In furtherance of this policy, it is deemed necessary
 8 and desirable that provision be made to assist certain motor-
 9 bus operators engaged in certificated intercity transportation
 10 of passengers and freight by providing State guarantees of
 11 loans and interest to enable them to purchase motorbuses re-
 12 quired in such transportation on reasonable terms.

1 SECTION 2. As used in this Act —

2 (a) "Secretary" means the Secretary of Transportation.

3 (b) "Motorbus purchase loan" means any loan, or commit-
 4 ment in connection therewith, made for the purchase of a
 5 commercial motorbus, including spare parts normally associ-

6 ated herewith and all required additional safety devices for
7 use in or on the vehicle.

1 SECTION 3. (a) The Secretary is authorized to guarantee
2 any lender against loss of principal or interest on any com-
3 mercial loan by such lender to any motorbus operator holding
4 a certificate of public convenience issued by the Department
5 of Public Utilities providing for the intrastate transportation,
6 by motor vehicle, upon the highways, of passengers and
7 property in combination, provided said motor bus operator is
8 both Incorporated in, and operates its principal place of busi-
9 ness within the Commonwealth of Massachusetts.

10 (b) Such guaranty shall be made in such form, on such
11 terms and conditions, and pursuant to such regulations, as
12 the Secretary deems necessary and which are not inconsistent
13 with the provisions of this Act.

1 SECTION 4. No guaranty shall be made —

2 (a) Extending to more than the unpaid interest and 90 per
3 centum of the unpaid principal of any loan.

4 (b) On any loan or combination of loans for more than
5 90 per centum of the purchase price of the motorbus including
6 spare parts to be purchased therewith, and any safety devices
7 whether purchased with the vehicle or installed after the
8 purchase as required by local, State, or Federal regulations.

9 (c) On any loan whose terms permit full repayment more
10 than eight years after the date thereof.

11 (d) Wherein the total face amount of such loans and of
12 any other loans to the same carrier, or corporate predecessor,
13 carrier or carriers, guaranteed and outstanding under the
14 tems of this Act exceed \$1,000,000.

15 (e) Unless the Secretary finds that, without such guaranty,
16 in the amount thereof, the motorbus operator would be un-
17 able to obtain necessary funds for the purchase of needed
18 buses on reasonable terms.

19 (f) Unless the Secretary finds that the prospective earn-
20 ing power of the applicant motorbus operator, together with
21 the character and value of the security pledged, furnish (1)

22 reasonable assurances of the applicant's ability to repay the
23 loan within the time fixed thereof, and (2) reasonable pro-
24 tection to the Commonwealth.

1 SECTION 5. The Secretary shall prescribe and collect from
2 the borrower a reasonable guaranty fee in connection with
3 each loan guaranteed under this Act.

4 The Secretary shall prescribe an interest rate for each loan
5 which shall not exceed the Federal Reserve rate in effect at
6 the time of said loan.

1 SECTION 6. (a) to permit him to make use of such expert
2 advice and services as he may require in carrying out the
3 provisions of this Act, the Secretary may use available services
4 and facilities of other agencies and instrumentalities of the
5 Commonwealth.

6 (b) Departments and agencies of the Commonwealth shall
7 exercise their powers, duties and functions in such manner
8 as will assist in carrying out the objectives of this Act.

9 (c) The Secretary shall make available to the Comptroller's
10 Division of the Commonwealth of Massachusetts such infor-
11 mation with respect to the loan guaranty program under this
12 Act as the Comptroller may require.

1 SECTION 7. (a) Receipts under this Act shall be credited
2 to the General Fund:

3 (b) Payments to lenders required as a consequence of any
4 guaranty under this Act may be made from funds which are
5 authorized to be appropriated to the Secretary for that pur-
6 pose.

7 (c) Administrative expenses under this Act shall be paid
8 from appropriations to the Secretary for administrative ex-
9 penses.

1 SECTION 8. All equipment, the loans for the purchase of
2 which are guaranteed under this Act, shall comply with all
3 provisions of the Federal Clean Air Act of 1963 and any and
4 all subsequent Federal or State legislation governing per-
5 missible levels of exhaust and other emissions for the types of
6 vehicles represented herein.

21 reasonable assurance of the applicant's ability to repay the
22 loan within the time fixed thereon, and (2) reasonable pre-
23 caution to the Commonwealth.

1 Section 7. The Secretary shall prescribe and collect from
2 the borrower a reasonable guaranty fee in connection with
3 each loan guaranteed under this Act.
4 The Secretary shall prescribe an interest rate for each loan
5 which shall not exceed the Federal Reserve rate in effect at
6 the time of said loan.

1 Section 6. (a) to permit him to make use of such expert
2 advice and services as he may require in carrying out the
3 provisions of this Act, the Secretary may use available services
4 and facilities of other agencies and instrumentalities of the
5 Commonwealth.

6 (b) Departments and agencies of the Commonwealth shall
7 exercise their powers, duties and functions in such manner
8 as will assist in carrying out the objectives of this Act.
9 (c) The Secretary shall make available to the Comptroller's
10 Division of the Commonwealth of Massachusetts such infor-
11 mation with respect to the loan guaranty program under this
12 Act as the Comptroller may require.

1 Section 7. (a) Receipts under this Act shall be credited
2 to the General Fund;

3 (b) Expenses to be paid as a consequence of any
4 guaranty under this Act may be made from funds which are
5 authorized to be appropriated to the Secretary for that pur-
6 pose.

7 (c) Administrative expenses under this Act shall be paid
8 from appropriations to the Secretary for administrative ex-
9 penses.

1 Section 8. All equipment, the loans for the purchase of
2 which are guaranteed under this Act shall comply with all
3 provisions of the Federal Clean Air Act of 1963 and any and
4 all subsequent Federal or State legislation governing per-
5 missible levels of exhaust and other criteria for the type of
6 vehicles registered therein.