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By Mrs. Cutler, a petition of Lorenz F. Muther, Jr., for legislation relative to urban redevelopment corporations and increasing the annual dividend rate of stockholders. Mercantile Affairs.

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## The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Sixty-Five

### AN ACT RELATING TO URBAN REDEVELOPMENT CORPORATIONS AND INCREASING THE ANNUAL DIVIDEND RATE OF STOCKHOLDERS.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 Chapter 121A of the General Laws is hereby amended by  
2 striking out section 9, as amended by section 3 of chapter 640  
3 of the acts of 1956, and inserting in place thereof the following  
4 section: —

5 *Section 9.* Except as provided in section sixteen, the stock-  
6 holders of every such corporation shall be deemed, when they  
7 subscribe to and receive the stock thereof, to have agreed that  
8 they shall at no time receive or accept from the corporation, in  
9 repayment of their investment in its stock, any sums in excess  
10 of the par value, if any, of the stock, together with cumulative  
11 dividends thereon at the rate of eight per cent per annum when  
12 the project shall be predominantly for commercial or industrial  
13 use, and ten per cent per annum when the project shall be pre-  
14 dominantly for residential use, or in the case of stock without  
15 par value, cumulative dividends at the rate of eight per cent per  
16 annum of the amount of consideration paid for such stock when  
17 the project shall be predominantly for commercial or industrial  
18 use, and ten per cent per annum when the project shall be pre-  
19 dominantly for residential use, as determined by the housing  
20 board at the time it approves the issue of such stock, provided  
21 that when a housing authority, redevelopment authority or re-  
22 newal authority shall have held title previously to any portion  
23 of the project area no cumulative dividend rate shall exceed six

24 per cent per annum. No stockholder in any such corporation  
25 shall receive any dividend in any one year in excess of the  
26 aforesaid rates, except that when in any prior years or years  
27 dividends in the amount authorized to be paid by such corpora-  
28 tion shall not have been paid in full on the said stock, the  
29 stockholders shall be entitled to receive the payment of so  
30 much of such deficiency without interest, out of any earned  
31 surplus which may be available in any succeeding year, as the  
32 board of directors of the corporation shall determine. Nothing  
33 in this section shall be applicable to the payment of dividends  
34 out of profits from the sale of capital assets of the corporation.