

SENATE No. 516

Mr. Schoonmaker moves that this bill be substituted by amendment for the Senate Bill, No. 495.

The Commonwealth of Massachusetts.

In the Year One Thousand Nine Hundred and Twelve.

AN ACT

Relative to the Issue of Bonds, Coupon Notes and other Evidences of Indebtedness by Certain Railroad Corporations and 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. The provisions of sections forty-eight, fifty-
2 seven and sixty-six of Part II or of section one hundred and
3 eight, Part III, of chapter four hundred and sixty-three of
4 the acts of the year nineteen hundred and six, and similar
5 provisions of any general or special acts in so far as they
6 limit the amount of bonds, coupon notes and other evidences
7 of indebtedness which may be issued by a railroad corpora-
8 tion, electric railroad, street railway or elevated railway
9 company to the amount of the capital stock at the time
10 actually paid in shall not apply to the issue of such securi-
11 ties by any railroad corporation, electric railroad, street

12 railway or elevated railway company the property of which
13 is leased in accordance with provisions of law to any other
14 railroad corporation; electric railroad, street railway or
15 elevated railway company, or the bonds of which are at
16 the time of such issue a legal investment for savings banks:
17 *provided*, that the aggregate amount of the securities so
18 issued and payable more than twelve months from their
19 dates shall not exceed twice the amount of the capital stock
20 of the company issuing such securities then actually paid
21 in, as determined under the provisions of chapter six hun-
22 dred and twenty of the acts of the year nineteen hundred
23 and eight; and *provided, further*, that such securities shall be
24 secured by a mortgage upon all the property and franchises,
25 present and future, of the company issuing such securities.
26 Such mortgage shall also secure, upon equal terms with
27 such new securities, all bonds, coupon notes or other evi-
28 dences of indebtedness payable more than twelve months
29 from their dates previously issued by, or the payment of
30 the principal of which shall have been assumed or guaran-
31 teed by, the mortgagor, and shall contain a covenant on the
32 part of the mortgagor that the securities which may be
33 secured by such mortgage shall not exceed in amount twice
34 the amount of the capital stock of the mortgagor company
35 actually paid in at the time when such bonds or other securi-
36 ties shall be issued, as determined under the provisions of
37 chapter six hundred and twenty of the acts of the year nine-
38 teen hundred and eight.

1 SECTION 2. The provisions of section forty-eight of
2 Part II of chapter four hundred and sixty-three of the acts
3 of the year nineteen hundred and six, or the provisions of
4 any other general or special acts in so far as they limit the
5 length of time within which bonds, coupon notes or other
6 evidences of indebtedness shall be payable to not exceeding

7 fifty years from the date thereof, shall not apply to any
8 railroad corporation, electric railroad, street railway or
9 elevated railway company the property of which in accord-
10 ance with provisions of law is leased to any other such cor-
11 poration, or the bonds of which are at the time of their
12 issue a legal investment for savings banks.

1 SECTION 3. Nothing in this act shall be construed as
2 requiring any railroad corporation, electric railroad, street
3 railway or elevated railway company to secure by mortgage
4 its bonds, coupon notes or other evidences of indebtedness
5 payable more than twelve months from their dates, pro-
6 vided the aggregate amount of the same does not exceed the
7 amount of the capital stock of the company, actually paid
8 in as determined under the provisions of chapter six hundred
9 and twenty of the acts of the year nineteen hundred and
10 eight.

1 SECTION 4. This act shall take effect upon its passage.

