

HOUSE No. 514.

Commonwealth of Massachusetts.

HOUSE OF REPRESENTATIVES, May 27, 1889.

The undersigned, a member of the committee on Manufactures, to whom was referred the order of Representative Mellen of Worcester, for legislation enabling cities and towns to manufacture, sell and distribute illuminating gas, begs leave to submit the following report:—

After an extended hearing of many weeks, and having visited such places as the committee thought would assist them in obtaining information in regard to the matter, I am convinced of the desirability of permitting municipalities engaging in the manufacture, sale and distribution of gas.

Municipalities have at present the power to furnish light for municipal purposes, and can, by slight increase of cost, furnish it for all purposes. This would prevent the encumbering of highways with different systems and would give the people the benefit of low rates, which must necessarily ensue from the avoidance of profits paid to commercial corporations.

It was urged before the committee (by those directly interested in existing corporations) that it would be a dangerous power to confer upon the municipalities. The investigations at Wheeling, Richmond and Philadelphia conclusively proved the contrary to my mind, and the unwillingness of these places to dispose of their systems proves it to be of benefit both financially and otherwise.

Recent developments of gas companies combining in this State fully warrant the assumption that some legislation is necessary to prevent unjust exactions by over-capitalized corporations.

A permissive bill, granting all municipalities the right to manufacture, sell and distribute gas, seems to me more preferable than to subject a single municipality to the combined opposition of the gas and electric light companies.

I differ with the committee as to their action in permitting one town to obtain this right (thereby practically admitting the principle), and refusing to report a bill granting the same right to all municipalities.

The safeguards already provided by the State to deter municipalities from appropriating money inconsiderately, is sufficient to guard against ill-advised or hasty action by the various towns and cities.

Although the question is of recent origin, many municipalities are actively engaged in investigating the different methods, with a view to supplying their inhabitants with light; and I therefore deem some legislation necessary at this time.

JAMES LALLY, JR.

Commonwealth of Massachusetts.

In the Year One Thousand Eight Hundred and Eighty-nine.

AN ACT

Enabling any City or Town to Supply its Inhabitants with Gas.

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. Any city or town within this
2 Commonwealth may supply itself and its inhabi-
3 tants with gas for illuminating and other purposes;
4 may manufacture such gas or purchase of any
5 person or corporation a manufactory already
6 located within the limits of such city or town;
7 may lay pipes to conduct gas through its streets;
8 relocate or discontinue the same; may regulate
9 the use of such gas and establish and collect rates
10 to be paid for the same.

1 SECT. 2. Any city or town for the purpose of
2 paying the necessary expenses and liabilities
3 incurred under the provisions of this act may
4 issue from time to time bonds, notes or scrip to

5 an amount not exceeding the actual cost of the
6 construction of its works, or of the same if they
7 are purchased as mentioned in section one of this
8 act; such bonds, notes or scrip shall bear on
9 their face the words (inserting the name of the
10 city or town) Gas Loan; shall be payable at the
11 expiration of periods not exceeding thirty years
12 from the date of the issue; shall bear interest
13 payable semi-annually at a rate not exceeding
14 four and one-half per centum per annum, and
15 shall be signed by the treasurer of such city or
16 town and countersigned by the commissioners
17 hereinafter provided for. Such city or town may
18 sell said bonds, notes or scrip at public or private
19 sale, or pledge the same for money borrowed for
20 the purpose of this act, upon such terms and con-
21 dition as it may deem proper. Such city or
22 town shall provide, at the time of contracting said
23 loan, for the establishment of a sinking fund, and
24 shall annually contribute to such fund a sum
25 sufficient with the accumulations thereof to pay
26 the principal of said loan at maturity. Said sink-
27 ing fund shall remain inviolate and pledged to the
28 payment of said loan and shall be used for no
29 other purpose. In lieu of the establishment of
30 said sinking fund, such city or town may, at the
31 time of authorizing said loan, provide for the
32 payment thereof in such annual proportionate
33 payments as will extinguish the same within the
34 time prescribed in this act, and when such vote
35 has been passed the amount required shall be
36 assessed without further vote in the same manner

37 as other taxes are assessed under the provisions
38 of the Public Statutes.

1 SECT. 3. Such city or town shall raise an-
2 nually by taxation a sum, which, with the income
3 derived from the gas rates, will be sufficient to
4 pay the current annual expenses of operating its
5 works, and the interest, as it accrues on the
6 bonds, notes or scrip issued as aforesaid, and
7 to make such contributions to the sinking fund
8 and payment on the principal as may be re-
9 quired under the provisions of this act.

1 SECT. 4. Any city or town may, for the
2 purposes of this act, use any unoccupied land
3 owned by it, and may take by purchase or
4 otherwise land not exceeding two acres nec-
5 sary for the purposes of this act; and may erect
6 on the land thus taken buildings, fixtures and
7 other structures, and may make excavations and
8 procure and operate machinery, and provide
9 such other means and appliances as may be
10 necessary for the establishment and mainte-
11 nance of complete and effective gas works.

1 SECT. 5. Any city or town shall pay the
2 damages sustained by any person in property
3 by taking of any land, right of way or ease-
4 ment, or by any other thing done by said city
5 or town under the provisions of this act.
6 Any person sustaining damages as aforesaid
7 under this act, who fails to agree with said

8 city or town as to the amount of damages sus-
9 tained, may have the damages assessed and
10 determined in the manner provided by law
11 when land is taken for the laying out of high-
12 ways, on application at any time within the
13 period of three years from the taking of such
14 land or other property, or the doing of other
15 injury under the authority of this act; but no
16 such application shall be made after the expira-
17 tion of three years.

1 SECT. 6. After the acceptance of this act as
2 hereinafter provided by any city, the mayor of
3 such city shall appoint, subject to the approval of
4 the board of aldermen, or any board in cities not
5 having such board that corresponds therewith,
6 three persons to hold office: one for the term of
7 three years, one for the term of two years and
8 one for the term of one year, and on each suc-
9 ceeding year thereafter one such person shall be
10 appointed as above provided to be and constitute
11 a board of gas commissioners; and in any town
12 after the acceptance of this act as hereinafter
13 provided, three persons shall be chosen by ballot
14 to serve as aforesaid and to constitute a gas com-
15 mission as aforesaid. All authority granted to a
16 city or town by this act and not otherwise
17 specially provided for, shall be vested in said
18 board of gas commissioners, and a majority of
19 said board shall constitute a quorum for the
20 transaction of any business relative to the gas
21 works and the sinking fund. Said board shall

22 make such returns and be under the super-
23 vision of the gas commissioners of this
24 Commonwealth in the same manner and to
25 the same extent as are private gas light com-
26 panies under existing laws. Any vacancy occur-
27 ring in said board may be filled for the remainder
28 of the unexpired term by appointment as afore-
29 said, or by a town at any legal meeting.

1 SECT. 7. Whoever wilfully and maliciously
2 destroys or injures, defaces or mars any boiler,
3 engine, conduit or appliance constituting a part
4 of or connected with said gas works shall be
5 punished by a fine not exceeding three hundred
6 dollars or by imprisonment not exceeding one
7 year.

1 SECT. 8. This act shall take effect in any city
2 having one branch, by its acceptance by a majority
3 vote thereof, and in cities having more than one,
4 by its acceptance by a majority concurrent vote of
5 both, and in any town, by its acceptance by a two-
6 thirds vote of the voters of said town present and
7 voting thereon at a legal meeting called for the
8 purpose.

