

By Mr. Cole of Lexington, petition of the Board of Directors of the Massachusetts Bay Transportation Authority and Lincoln P. Cole, Jr., relative to the issuance of refunding bonds by the Boston Metropolitan District. Transportation.

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Eighty.

AN ACT RELATING TO THE ISSUANCE OF REFUNDING BONDS BY THE BOSTON METROPOLITAN DISTRICT.

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. Whenever used in this Act, unless the context
2 otherwise requires, the following words or terms shall have the
3 following meanings:—

4 “Authority”, the Massachusetts Bay Transportation Authority
5 created by Chapter 161A of the General Laws.

6 “District”, the Boston Metropolitan District created by Chapter
7 383 of the Acts of 1929 and Chapter 147 of the Acts of 1932.

1 SECTION 2. The trustees of the District may issue and sell
2 refunding bonds of the District at any time at or before the matur-
3 ity of the bonds or notes of the District being refunded, notwith-
4 standing any limitations in Sections 7A and 8A of Chapter 544 of
5 the Acts of 1947, as amended, or any other provisions of law to the
6 contrary. Said trustees are hereby authorized to covenant in any
7 vote or resolution providing for the issuance of refunding bonds or
8 to certify with respect to the deposit of investment of the proceeds
9 thereof, and with respect to the income therefrom, pending their
10 use for the purpose of paying or redeeming the bonds or notes
11 being refunded, and to take any any action deemed by them
12 necessary to assure that the interest on such refunding bonds will
13 be exempt from federal income taxes.

1 SECTION 3. Before the trustees of the District shall issue any
2 of its refunding bonds to refund bonds of the District originally
3 issued under Section 8A(j) of Chapter 544 of the Acts of 1947, as
4 amended, or Section 6 of Chapter 649 of the Acts of 1949, as
5 amended, they shall enter into an agreement with the Authority.
6 Each such agreement shall be in lieu of the issuance of a new bond
7 or bonds of the Authority to the District pursuant to said Sections
8 and shall set forth at least the schedule of maturities of the refund-
9 ing bonds of the District then to be issued. Each such agreement
10 shall be authorized by the trustees of the District and by the board
11 of directors of the Authority, shall be executed on behalf of the
12 District by the chairman or treasurer of its board of directors or its
13 treasurer-controller, shall be binding upon the Authority and the
14 District and shall be subject to the following conditions, whether or
15 not expressly set forth therein: —

16 (a) The refunding bonds of the District shall be payable in
17 annual serial installments over a term not exceeding thirty years.

18 (b) The Authority shall pay to the District, at least ten days
19 prior to each and every date on which interest or principal, or both,
20 is payable on the refunding bonds of the District an amount equal
21 to the amount of interest or principal, or both, which is due on each
22 such date on said bonds of the District. Such payments on account
23 of principal shall not be subject to the limitations as to principal
24 reduction set forth in said Sections 8A(j) and 6.

25 (c) The income from any investment of funds received by the
26 District from the Authority or from the proceeds of refunding
27 bonds pending the use of such funds for the purpose of paying
28 bonds of the District or the interest thereon, after deducting there-
29 from expenses in connection with such investment, shall be paid by
30 the District to the Authority.

31 (d) The Authority shall reimburse the District, at the request of
32 the trustees thereof, for all expenses incidental to the authoriza-
33 tion, preparation, issue, registration and payment of refunding
34 bonds issued by the District under this Act.

35 (e) If the refunding bonds of the District are sold at a discount
36 below par, the Authority shall forthwith pay the District the
37 amount of such discount, and if such bonds are sold at a premium
38 above par, the District shall forthwith pay the Authority the
39 amount of such premium.

1 SECTION 4. The Authority, by vote of its board of directors, is
2 hereby authorized in any year to pay to the District sums in excess
3 of the payments on account of principal required to be made on
4 either or both of the bonds of the Authority issued to the District
5 pursuant to Sections 7A and 8A (c) of Chapter 544 of the Acts of
6 1947, as amended. All such excess payments shall be recorded on
7 the books of the District and shall be applied to the last principal
8 then due on said bond or bonds; provided, however, that in the
9 event the Authority notifies the District in writing on or before
10 September 15 in any year of the amount of such excess payment,
11 the District shall apply such excess to the payment of principal of
12 the next bonds of the District to mature after the date of such
13 payment in lieu of the issuance of refunding bonds of the District in
14 the amount of such excess.

1 SECTION 5. Except as expressly provided in this Act, the pro-
2 visions hereof shall be deemed to be in addition to, and not in
3 derogation of, any other power or obligation of the District and the
4 Authority.

1 SECTION 6. This act shall take effect upon its passage.

