

lives, property or interests therein, only by lawfully constituted and licensed resident agents. No policy of insurance issued to a citizen of the Commonwealth by an authorized company organized under the laws of a foreign country shall be invalidated by the occurrence of hostilities between such foreign country and the United States. And no company shall directly or indirectly contract for or effect reinsurance of any risk in Massachusetts with any company not authorized to do business therein, except as may be hereafter provided by law.

Tax to be paid by insuring company.

Whenever any company negotiating insurance effects a reinsurance of any part thereof, otherwise than through licensed resident agents, the entire tax thereon shall be paid by the original insuring company and the tax commissioner shall make no deduction on account of such reinsurance.

Marine risks to be reinsured in certain cases.

SECTION 3. Any insurance company authorized to do marine business in this Commonwealth may take any risk provided it reinsures the same, if necessary, so that it does not retain for itself of the risk an amount exceeding ten per cent. of its capital and surplus wherever they may be, and also provided that it shall place such reinsurance, if possible, at the time and at not over the original rate, with companies authorized to do marine insurance in Massachusetts; any amount in excess of what can be so placed may be reinsured with other companies, if the company or agent procuring said risk shall file an affidavit to that effect with the insurance commissioner, at such time and in such form as may be prescribed by him.

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

Approved June 17, 1898.

Chap. 538

AN ACT RELATIVE TO THE ABOLITION OF GRADE CROSSINGS.

Be it enacted, etc., as follows:

1890, 428, § 7, etc., amend-d.

SECTION 1. Section seven of chapter four hundred and twenty-eight of the acts of the year eighteen hundred and ninety, as amended by chapter two hundred and eighty-three of the acts of the year eighteen hundred and ninety-three, and by chapter five hundred and forty-five of the acts of the year eighteen hundred and ninety-four, is hereby amended by striking out the whole of said section and inserting in place thereof the following:—

Auditor, duties, compensation, etc.

Section 7. The court shall appoint an auditor, who shall

be a disinterested person, not an inhabitant of the city or town in which the crossing is situated, to whom shall from time to time be submitted all accounts of expense, whether incurred by the railroads, city, town, commission or auditor, who shall audit the same and make report thereon to the court; which auditing when accepted by the court shall be final. A certified copy of such report and the decree of the court thereon shall in all cases be filed with the auditor of accounts. The compensation of the auditor shall be determined in accordance with the provisions of law relative to the compensation of auditors appointed by the superior court in civil cases. Said court shall from time to time issue its decrees for payment on the part of the railroad corporation, not exceeding the amounts apportioned to it by said auditor, and for the payment on the part of the Commonwealth, not exceeding the amounts apportioned to the Commonwealth and to the city or town; and such city or town shall repay to the Commonwealth the amount apportioned to the city or town by said auditor, with interest thereon, payable annually at the rate of four per cent. per annum, from the date of the acceptance of the report of the auditor. Such repayment of the principal shall be made annually in such amounts as the auditor of the Commonwealth may designate; and the amount of payment designated for the year, with the interest due on the outstanding principal, shall be included by the treasurer and receiver general in, and made a part of, the sum charged to such city or town, and be assessed upon it in the apportionment and assessment of its annual state tax; and said treasurer shall in each year notify such city or town of the amount of such assessment, which amount shall be paid by the city or town into the treasury of the Commonwealth at the time required for the payment and as a part of its state tax: *provided, however*, that when the last and final assessment, assessed as above, on cities and towns, becomes due and is paid, the treasurer of the Commonwealth shall pay to said cities and towns so paying, as an offset to and a reduction of such last payment, an amount equal to the excess, if any, of the amount of interest already assessed and collected from cities and towns under this section, above the actual interest cost to the Commonwealth for money borrowed for the abolition of grade crossings previous to the payment of said last assessment by the cities and towns as aforesaid; and said

Payment of
expenses, etc.

Proviso.

excess of interest, if any, so paid shall be on the exact amounts repaid to the Commonwealth by cities and towns on which interest has been collected under the provisions of this act, and no more.

SECTION 2. This act shall take effect upon its passage.

Approved June 17, 1898.

Chap. 539 AN ACT RELATIVE TO THE CONSTRUCTION AND REPAIR OF STATE HIGHWAYS.

Be it enacted, etc., as follows:

Construction and repair of state highways.

SECTION 1. The Massachusetts highway commission is hereby authorized to expend a sum not exceeding four hundred thousand dollars for the construction and repair of state highways, in accordance with the provisions of the statutes relating to and defining the powers and duties of said commission. Said commission may make contracts during the present calendar year for the whole amount hereby authorized to be expended, but the contracts shall be so made that the amount to be paid from the state treasury during the present calendar year shall not exceed three hundred thousand dollars.

Only citizens to be employed.

SECTION 2. No persons except citizens of this Commonwealth shall be employed on the work authorized by this act.

State Highway Loan.

SECTION 3. For the purpose of meeting any expenses which may be incurred under the provisions of this act the treasurer and receiver general is hereby authorized, with the approval of the governor and council, to issue scrip or certificates of indebtedness to an amount not exceeding four hundred thousand dollars, for a term not exceeding thirty years. Said scrip or certificates of indebtedness shall be issued as registered bonds or with interest coupons attached, and shall bear interest not exceeding four per cent. per annum, payable semi-annually on the first day of April and of October in each year. Such scrip or certificates of indebtedness shall be designated on their face as the State Highway Loan, shall be countersigned by the governor, and shall be deemed a pledge of the faith and credit of the Commonwealth; and the principal and interest thereof shall be paid at the times specified therein in gold coin of the United States or its equivalent, and said scrip or certificates of indebtedness shall be sold and disposed of at public auction, or