

# HOUSE . . . . No. 406

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By Mr. Herter of Boston (by request), petition of The Public Franchise League relative to issue of stock and other evidences of indebtedness by gas and electric companies. Judiciary (Joint).

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## The Commonwealth of Massachusetts

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In the Year One Thousand Nine Hundred and Thirty-Five.

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An Act relative to the Issue of Stock, Bonds and Evidences of Indebtedness by Gas and Electric 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 fourteen of chapter one hundred and sixty-  
2 four of the General Laws, as appearing in the Ter-  
3 centenary edition thereof, is hereby amended by  
4 striking out in the third line the words "three years"  
5 and inserting in place thereof the words:— one  
6 year, — so as to read as follows:— *Section 14.* Gas  
7 and electric companies shall issue only such amount  
8 of stock and bonds, and of coupon notes and other  
9 evidences of indebtedness payable at periods of more  
10 than one year after the date thereof, as the department  
11 may from time to time vote is reasonably necessary  
12 for the purpose for which such issue of stock, bonds,  
13 coupon notes or other evidences of indebtedness has  
14 been authorized. The department may take into  
15 consideration any resources of the companies available  
16 or which might have been available for said purpose.

17 The department shall render a decision upon an appli-  
18 cation for such issue within thirty days after the final  
19 hearing thereon. The decision shall be in writing,  
20 shall assign the reasons therefor, shall, if approving  
21 such issue, specify the respective amounts of stock,  
22 bonds, coupon notes or other evidences of indebted-  
23 ness which are approved to be issued for the respective  
24 purposes to which the proceeds thereof are to be ap-  
25 plied, and shall, within seven days after it has been  
26 rendered, be filed in the office of the department. A  
27 certificate of the vote of the department shall, within  
28 three days after such decision has been rendered and  
29 before the stock, bonds, coupon notes or other evi-  
30 dences of indebtedness are issued, be filed in the office  
31 of the state secretary, and a duplicate thereof de-  
32 livered to the corporation, which shall enter the same  
33 upon its records. A company subject to this section  
34 shall not apply the proceeds of such stock, bonds,  
35 coupon notes or other evidences of indebtedness to  
36 any purpose not specified in such certificate. No ap-  
37 plication for the approval of an issue of stock shall be  
38 made unless authorized by vote of the incorporators,  
39 if an original issue, or of the stockholders if an increase  
40 of stock, passed not more than four months prior to  
41 such application; but a vote of the stockholders to  
42 increase the capital stock may be passed before or  
43 after the decision of the department.