
LEGISLATURE OF PENNSYLVANIA.

FILE OF THE HOUSE OF REPRESENTATIVES.**No.****976****Session of
1919.**

INTRODUCED BY MR. McINTYRE, MARCH 17, 1919.

**REFERRED TO COMMITTEE ON MANUFACTURES,
MARCH 19, 1919.**

AN ACT

Directing the Public Service Commission to appoint appraisers to fix the physical value of the lines rolling-stock and other equipments of Street Railway Corporations operating in this State empowering the commission to enforce the purchase and elimination of all fictitious non-earning stock that may have been issued in excess of the physical valuation of any such corporation's plant accessories thereto making an appropriation to cover the expense of such appraisalment and fixing a penalty for violation of this act

1 Section 1 *Be it enacted by the Senate and House of Repre-*
2 *sentatives of the Commonwealth of Pennsylvania in General Assembly*
3 *met and it is hereby enacted by the authority of the same That*
4 *it shall be the duty of the Public Service Commission*
5 *of Pennsylvania immediately after the passage of this act*
6 *to proceed to discover as nearly as may be possible the*
7 *physical and separate valuation of the plants and other*
8 *properties of the Street Railway corporations within this*

1 Commonwealth namely the miles of road and equipment
2 rolling-stock power houses barns and other possessions of
3 each corporation which shall be found to be in use for
4 the transportation of passengers provided however That a
5 franchise or franchises shall not be included in an ap-
6 praisement as an item or items of value

7 Section 2 To facilitate the carrying out of the fore-
8 going section the Public Service Commission is hereby au-
9 thorized to employ such number of qualified appraisers as
10 it may deem necessary to perform this duty and to pay
11 them the sum of ten (\$10.00) dollars per day and reas-
12 onable expenses while actually and expeditiously engaged in
13 the work

14 Section. 3 As soon as possible after the filing of the
15 physical valuation of a street railway corporation at the
16 office of the Public Service Commission if its capitaliza-
17 tion shall have been found to exceed the physical valu-
18 ation as shall have been shown by the filed appraise-
19 ment the commission shall notify the directors of such
20 street railway corporation that it must cease to pay divi-
21 dends on its capitalization and shall use its net profits
22 for such time as may be necessary as hereinafter di-
23 rected

24 Section 4 The net profit earned by street railway cor-
25 porations the capitalization of which shall have been found
26 upon appraisement to be in excess of the physical valu-
27 ation of its operating plant shall be devoted to the pur-
28 chase and elimination of its fictitious non-earning stock the
29 method to be pursued in the making of such purchase

1 shall be to call in and pay for the last certificate of
2 stock issued by the corporation and proceed consecutively
3 backward according to stock certificate members until all
4 the stock certificates exceeding in value the sum of the
5 physical appraisement of such corporation shall have been
6 bought paid for and written off the books of the cor-
7 poration and no more shall be issued and sold or dis-
8 tributed free of cost to stockholders or other persons un-
9 less the physical valuation of the corporation shall have
10 been increased and any new issues thereafter shall be in
11 exact proportion to the increase in the valuation of the
12 corporations' possessions and all bonds in excess of ten per
13 centum of the physical valuation of the corporation shall
14 also be paid off as quickly thereafter as funds will per-
15 mit and no more shall be issued and sold or distributed
16 free of charge to stockholders or other persons unless the
17 physical valuation of the corporation's property shall have
18 been increased and at no time thereafter shall the bond-
19 ed indebtedness of any corporation exceed ten per centum
20 of the sum of the physical appraisement on file in the
21 office of the Public Service Commission

22 Section 5 To carry out this act the sum of one
23 hundred thousand (\$100,000) dollars or as much thereof as
24 may be necessary is hereby appropriated from the funds
25 of the State

26 Section 6 Any corporation that shall refuse to com-
27 ply with the order of the Public Service Commission as
28 provided for in this act shall be guilty of a misde-
29 meanor and shall be fined in the sum of one hundred