

MAINE STATE LEGISLATURE

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SEVENTY-NINTH LEGISLATURE

HOUSE

NO. 282

House of Representatives, February 28, 1919.

Reported by Mr. Wilson from Committee on Public Utilities
and ordered printed under joint rules.

CLYDE R. CHAPMAN, Clerk.

Presented by Mr. Wilson of Portland.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND
NINE HUNDRED AND NINETEEN

AN ACT to Amend Section Forty of Chapter Fifty-five of
the Revised Statutes of the State of Maine.

Be it enacted by the People of the State of Maine, as follows:

Section forty of chapter fifty-five of the revised statutes
2 of the state of Maine is hereby amended by striking out
3 the first sentence of said section and substituting therefor
4 the following: 'Any public utility may henceforth sell,
5 lease, assign, mortgage or otherwise dispose of, or en-
6 cumber the whole or any part of its property necessary
7 or useful in the performance of its duties to the public,
8 or any franchise or permit, or any right thereunder, or
9 by any means whatsoever, direct or indirect, merge or
10 consolidate its property, franchises, or permits, or any part

11 thereof, with any other public utility, when, and not other-
12 wise, it shall have first secured from the commission an
13 order authorizing it so to do,' so that said section as amend-
14 ed shall read as follows:

'Sect. 40. Any public utility may henceforth sell, lease,
2 assign, mortgage or otherwise dispose of, or encumber the
3 whole or any part of its property necessary or useful in
4 the performance of its duties to the public, or any fran-
5 chise or permit, or any right thereunder, or by any means
6 whatsoever, direct or indirect, merge or consolidate its
7 property, franchises, or permits, or any part thereof, with
8 any other public utility, when, and not otherwise, it shall
9 have first secured from the commission an order authoriz-
10 ing it so to do. Every such sale, lease, assignment, mort-
11 gage, disposition, encumbrance, merger or consolidation
12 made other than in accordance with the order of the com-
13 mission authorizing the same shall be void. The sale,
14 lease, assignment, mortgage or other disposition or en-
15 cumbrance of a franchise or permit under this section shall
16 not be construed to revive or validate any lapsed or invalid
17 franchise or permit or to enlarge or add to the powers or
18 privileges contained in the grant of any franchise or per-
19 mit or to waive any forfeiture. Nothing in this section
20 contained shall be construed to prevent the sale, lease or
21 other disposition by any public utility of property which
22 is not necessary or useful in the performance of its duties
23 to the public, and any sale of its property by such public

24 utility shall be conclusively presumed to have been of
25 property which is not necessary or useful in the perform-
26 ance of its duties to the public, as to any purchaser of such
27 property in good faith for value. Nothing in this section
28 shall apply to property, franchises, permits or rights of
29 any utility owned and operated exclusively outside this
30 state. No public utility shall hereafter purchase or ac-
31 quire, take or hold any part of the capital stock of any
32 other public utility organized or existing under or by virtue
33 of the laws of this state without having been first author-
34 ized to do so by the commission. Every assignment, trans-
35 fer, contract or agreement for assignment or transfer of
36 any stock by or through any person or corporation to any
37 corporation or otherwise in violation of any of the pro-
38 visions of this section shall be void and of no effect; and
39 no such transfer shall be made on the books of any public
40 utility. Nothing herein contained shall be construed to
41 prevent the holding of stock heretofore lawfully acquired
42 or to prevent the acquiring of additional stock by a public
43 utility which now owns a majority of the stock of such
44 other utility.'