

MAINE STATE LEGISLATURE

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STATE OF MAINE

REPORT

OF THE

ATTORNEY GENERAL

for the calendar years

1957 - 1958

not in lieu of all other corporation and franchise taxes, as provided in Chapter 35 which relates to agricultural cooperatives.

Section 1 subsection II-B provides that the maximum at which any return is paid on share or membership capital is limited to not more than 6%, and Section 10 refers to a limitation on paid-up capital. This capital must be set up in the by-laws of the corporation, if it is not set up in its articles of incorporation, and distributed to member patrons in proportion to their patronage.

Now, this should be deemed a fixed capital regulated by statute and fixed on the basis of membership capital. In answer to your specific question, what tax, if any, is applicable to a corporation created under Chapter 56, which you say has no stated fixed capital, we advise that the tax should be based on the minimum of \$10 under Section 106 of Chapter 16, until the corporation has filed an annual report under Section 41 of Chapter 53, showing the amount of capital held under its by-laws, and, if more than \$50,000, tax accordingly.

I further call your attention to another reason why corporations organized under Chapter 56 should be treated as other business corporations are, which is that Section 22 of Chapter 56 permits registration as dealers in securities upon the payment of the fees provided in Sections 228 to 238 of Chapter 59, and certificates of membership in a cooperative organized under Chapter 56 shall not be issued until the par thereof has been paid in full under Section 13, and to ascertain the par we must resort to the by-laws, as the capital does not have to be set up in the articles of incorporation.

The sale of these certificates comes within the provisions of the "Blue Sky" law, as the term "securities" under Section 231 of Chapter 57 covers certificates of interest in a profit-sharing agreement.

RALPH W. FARRIS
Assistant Attorney General

August 12, 1957

To Edmund S. Muskie, Governor of Maine

Re: Out-of-State Parolee Supervision

We have your memo requesting advice as to whether or not you may sign documents enabling the State of Maine to participate in the supervision of parolees and probationers to and from Puerto Rico and Hawaii.

We answer in the affirmative.

Chapter 19, Public Laws, 1957, amends the Uniform Act for Out-of-State Parolee Supervision to provide expressly that the word "State" as used in the Act" shall mean any state, territory or possession of the United States and the District of Columbia."

We would advise waiting until August 28, the effective date of the amendment, before executing such compact.

JAMES GLYNN FROST
Deputy Attorney General