

MAINE STATE LEGISLATURE

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ONE - HUNDRETH LEGISLATURE

Legislative Document

No. 1151

H. P. 836

House of Representatives, February 1, 1961

Referred to Committee on Public Utilities. Sent up for concurrence and ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Pike of Lubec.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-ONE

**AN ACT Relating to Conditions Under which Public Utilities May Issue Stocks,
Bonds and Notes.**

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

Sec. 1. R. S., c. 44, § 43, amended. The first sentence of section 43 of chapter 44 of the Revised Statutes is amended to read as follows:

'Any public utility, now organized and existing or hereafter incorporated under and by virtue of the laws of this State and doing business in the State, may issue stocks, bonds which may be secured by mortgages on its property, franchises or otherwise, notes or other evidences of indebtedness, payable at periods of more than ~~12 months~~ **3 years** after the date thereof, when necessary for the acquisition of property to be used for the purpose of carrying out its corporate powers, the construction, completion, extension or improvement of its facilities, or for the improvement or maintenance of its service, or for the discharge or lawful refunding of its obligations, including capital stock, or to reimburse its treasury for moneys used for the acquisition of property, the construction, completion, extension or improvement of its facilities, for the discharge or lawful refunding of its obligations, and which actually were expended from income or from other moneys in the treasury of the corporation not secured by or obtained from the issue of stocks, bonds, notes or other evidences of indebtedness of such corporation, or for any other lawful purposes, provided and not otherwise, that upon written application, setting forth such information as the commission may require, there shall have been secured from the commission an order authorizing such issue and the amount thereof and stating that in the opinion of the commission the sum of the capital to be secured by the issue of said stocks,

bonds, notes or other evidences of indebtedness is required in good faith for purposes enumerated in this section.'

Sec. 2. R. S., c. 44, § 43, amended. The first sentence of the 2nd paragraph of section 43 of chapter 44 of the Revised Statutes is amended to read as follows:

'Subject to ~~the foregoing and subsequent provisions of~~ this section, any railroad corporation may issue bonds or other interest-bearing securities maturing at periods of more than ~~12 months~~ **3 years** after the date thereof and may issue one or more classes of preferred stock which may have attached thereto warrants entitling the holder thereof to subscribe for shares of common stock or preferred stock of any class in such amounts, at such future date or dates, at such price or prices and on such terms and conditions as may be specified in said warrants; ~~such.~~ **Such** bonds or other interest-bearing obligations and such preferred stock also may be issued with provision therein or thereon that the same may be converted into shares of common stock or preferred stock of any class in such amounts, at such future date or dates, at such price or prices and on such terms and conditions as may be specified in or on such bonds or other interest-bearing obligations or in or on the certificates representing such preferred stock.'

Sec. 3. R. S., c. 44, § 43, amended. The last sentence of the 3rd paragraph of section 43 of chapter 44 of the Revised Statutes is amended to read as follows:

'The trustees or similar governing boards of any such corporations may issue notes or other evidences of indebtedness payable at periods of less than ~~12 months~~ **3 years** after the date thereof when necessary to carry out the purposes of such corporations.'

Sec. 4. R. S., c. 44, § 44, amended. Section 44 of chapter 44 the Revised Statutes is amended to read as follows:

'**Sec. 44. Conditions under which public utility may issue stocks, bonds and notes.** No public utility shall issue any stocks, bonds, notes or other evidences of indebtedness, unless payable within ~~1 year~~ **3 years** from the date thereof, for money, property or services, in payment for the same, either directly or indirectly, until there shall have been recorded upon the books of such public utility the order of the commission ~~as herein provided; and no.~~ **No** indebtedness shall in whole or in part, directly or indirectly, be refunded by any issue of stocks or bonds or by any other evidence of indebtedness ~~running for more than 12 months~~ without the consent of the commission.'