

MAINE STATE LEGISLATURE

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(EMERGENCY)

ONE HUNDRED AND FIFTH LEGISLATURE

Legislative Document

No. 403

H. P. 303

House of Representatives, January 27, 1971

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

BERTHA W. JOHNSON, Clerk

Presented by Mr. Haskell of Houlton.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-ONE

**AN ACT Relating to the Powers of Houlton Water Company to Issue Bonds,
Notes and Other Certificates of Indebtedness.**

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, Houlton Water Company is a public utility created pursuant to chapter 227 of the private and special laws of 1880, and all of its capital stock is owned by the Town of Houlton; and

Whereas, pursuant to chapter 227 of the private and special laws of 1880, as amended, Houlton Water Company is authorized to furnish water service in the Towns of Houlton and Hodgdon, and is furnishing such service in the Town of Houlton, and pursuant to chapter 31 of the private and special laws of 1905, as amended, Houlton Water Company is authorized to furnish electric service in the Town of Houlton and in certain other towns and villages in Aroostook County, and is furnishing such service; and

Whereas, Houlton Sewerage Company was created pursuant to chapter 145 of the private and special laws of 1887, and was authorized pursuant to said chapter 145, as amended, to provide a system of public sewers and drains in the Towns of Houlton and Hodgdon; and

Whereas, pursuant to chapter 14 of the private and special laws of 1937 and Agreement of Consolidation dated May 10, 1938, Houlton Sewerage Company was consolidated into and merged with said Houlton Water Company, and said Houlton Water Company, pursuant thereto and as the surviving

corporation, was vested with all the rights, powers and privileges granted to Houlton Sewerage Company; and

Whereas, Houlton Sewerage Company, pursuant to chapter 145 of the private and special laws of 1887, as amended, was authorized to acquire and hold real and personal estate necessary and convenient for its purposes not exceeding in amount \$100,000 and to issue and sell its bonds in an amount not exceeding \$125,000 to aid in the construction, repair and improvement of its sewer works; and

Whereas, Houlton Water Company proposes to make substantial additions to its sewer system, including the construction of a sewage treatment or disposal plant or system and is applying for federal and state grants therefor, and desires to issue and sell its bonds, notes or other certificates of indebtedness to provide for its share of the cost of construction thereof; and

Whereas, the authority of said Houlton Water Company to issue its bonds, notes and other certificates of indebtedness without limit as to amount for such purposes is in doubt; and

Whereas, it is immediately necessary that said Houlton Water Company issue its bonds, notes or other certificates of indebtedness to secure funds for the payment of its share of the cost of such additions to its sewer system, including its share of the cost of construction of said sewage treatment or disposal plant or system; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

P. & S. L., 1880, c. 227, § 2, repealed and replaced. Section 2 of chapter 227 of the private and special laws of 1880, as last amended by chapter 121 of the private and special laws of 1961, is repealed and the following enacted in place thereof:

Sec. 2. Powers of corporation. Said corporation, Houlton Water Company, may acquire and hold real and personal estate, necessary and convenient for the purposes aforesaid without limit as to amount; and said Houlton Water Company is vested with all the rights and powers heretofore granted to Houlton Sewerage Company.

Said Houlton Water Company may issue certificates of stock to an amount not exceeding \$50,000; may issue and sell bonds, notes and other certificates of indebtedness, without limit as to amount, for the purpose of acquiring properties for sewer purposes, paying damages, laying sewers, drains and conduits, constructing, maintaining and operating a sewage treatment and disposal plant or system and making renewals, additions, extensions and improvements to the same; and may also issue and sell bonds, notes and other certificates of indebtedness without limit as to amount under the Revised Statutes of 1964, Title 35, section 171 for the purposes stated therein

and any amendments thereof and to aid in the construction, extension, improvement and repair of its water and electric properties, and to pay any existing debts whether represented by bonds, notes or accounts.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

STATEMENT OF FACT

Houlton Water Company, all of the capital stock of which is owned by the Town of Houlton, furnishes water service in Houlton and electric service in Houlton and surrounding communities. The company also, as successor to Houlton Sewerage Company which was consolidated with it in 1938, furnishes sewer service in Houlton. The company proposes to construct a major addition to its sewer system, including a sewage treatment or disposal plant, and is applying for federal and state grants for such purpose. The company's share of the cost of such project would be financed by the sale of bonds or notes. The charter of its predecessor, Houlton Sewerage Company, limited the amount of property that could be held and limited the amount of bonds that could be issued for sewer purposes to \$125,000. The proposed legislation would make it clear that these limitations were no longer in effect, and would clarify the right of the company to issue bonds and notes for sewer purposes.