

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

Legislative Document

No. 1098

S. P. 372

In Senate, February 28, 1973

Referred to the Committee on Business Legislation. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Cox of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-THREE

AN ACT Revising the Law Relating to Dealers in Securities.

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

Sec. 1. R. S., T. 32, § 751, amended. Section 751 of Title 32 of the Revised Statutes, as amended by section 1 of chapter 484 of the public laws of 1967, is further amended by adding after the 3rd paragraph the following definition:

The term "local economic development corporation" shall mean any corporation without capital stock incorporated under Title 13, chapter 81 for the purpose of furthering the economic well-being of any group of persons sharing similar economic or geographic characteristics, by raising capital among themselves and the general public for the establishment of one or more subsidiary businesses to provide jobs and investment income in fulfillment of its corporate purpose.

Sec. 2. R. S., T. 32, § 857, additional. Title 32 of the Revised Statutes is amended by adding a new section 857, to read as follows:

§ 857. Exempted dealers

No registration shall be required of any local economic development corporation or of any of its agents by reason of the sale of any securities which are exempt under sections 873 or 874.

Sec. 3. R. S., T. 32, § 874, sub-§ 12, additional. Section 874 of Title 32 of the Revised Statutes, as enacted by section 10 of chapter 484 of the public laws of 1967, is amended by adding a new subsection 12, to read as follows:

12. Sales by local economic development corporations. Any sale of securities of a corporation organized under the laws of this State, if prior to said sale, said corporation was a subsidiary of a local economic development corporation, and provided further that there be only one such security sold to any person, that the value of such security does not exceed the sum of \$25 and that such a security is not resalable.

STATEMENT OF FACT

This bill would exempt from the costly registration requirements of the Maine Security Act the sale of stock by development corporations to the public. This is to allow communities to raise funds for economic development without having to spend most of the money so raised on registration costs.