

# MAINE STATE LEGISLATURE

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STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
110th LEGISLATURE  
FIRST REGULAR SESSION

(Filing No. H-450)

COMMITTEE AMENDMENT "A" to H.P. 477, L.D. 534, Bill, "AN ACT to Require Approval by the Public Utilities Commission of Any Transfer of a Controlling Interest of the Stock of a Public Utility."

Amend the bill by striking out all of section 1 and inserting in its place the following:

'Sec. 1. 35 MRSA §175 is enacted to read:

§175. Consent required for transfer of controlling interest in stock

No public utility, now organized and existing or hereafter incorporated under and by virtue of the laws of this State, may sell, assign or otherwise dispose of any share or shares of its capital stock or make or permit any transfer thereof to be made upon its books, to any corporation, partnership or person where the result of the sale, assignment, disposition or transfer in itself or in connection with other previous sales, assignments, dispositions or transfers will be to vest in that corporation, partnership or person a controlling interest of the outstanding capital stock of the public utility, unless authorized by order of the commission. If no such order is issued within 30 days of the date approval is sought by the utility, the transfer,

sale, assignment or disposition shall be deemed to be approved. For purposes of this section, a controlling interest shall be deemed to be an ownership interest of 50% or more of the outstanding capital stock. No authorization may be made by the commission if it finds that the vesting of the controlling interest will not be consistent with the public interest or will impair the efficient operation of the utility which issued the stock. Every assignment, transfer, contract or agreement for assignment or transfer made other than in accordance with this section is void and of no legal effect, and no transfer may be made on the books of any public utility corporation.

Nothing in this section may be construed to prevent the holding of stock lawfully acquired before the effective date of this section. This section shall not apply to any transfer of stock where such stock is publicly traded or to any transfer, whether by gift, sale, assignment or devise, between members of the immediate family of the stock owner. ?

#### Statement of Fact

The purpose of this amendment is to revise section 1 of the bill dealing with consent required for transfer of controlling interest in stock. It is the intent of the Legislature that section 2 of the original bill be of no effect if the Revised Statutes, Title 35, section 616 is repealed by pending legislation in this legislative session, L.D. 1356.

Reported by the Majority of the Committee on Public Utilities.  
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