

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 534

H. P. 477

House of Representatives, January 29, 1981

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

EDWIN H. PERT, Clerk

Presented by Representative Beaulieu of Portland.

Cosponsor: Representative Davies of Orono.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Require Approval by the Public Utilities Commission of Any Transfer of a Controlling Interest of the Stock of a Public Utility.

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

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. No authorization may be made if the commission finds that the vesting of the majority 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 the provisions of 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.

Sec. 2. 35 MRSA § 616, 2nd ¶, as amended by PL 1971, c. 439, § 18, is further amended by adding at the end a new sentence to read:

The provisions of section 175 do not apply to this section.

STATEMENT OF FACT

The purpose of this bill is to give jurisdiction to the Public Utilities Commission to approve or disapprove any proposed transfer of the controlling interest in the capital stock issued by a public utility. Currently, no such power exists, although a utility is required, under Title 35, section 211, to obtain the prior written approval of the commission for any disposition of its assets. The bill is modeled on a similar act which is the law in New Jersey.