

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)

FIFTY-FIRST LEGISLATURE.

HOUSE.

No. 100.

STATE OF MAINE.

IN THE YEAR OF OUR LORD ONE THOUSAND EIGHT HUNDRED AND SEVENTY-TWO.

AN ACT to authorize the city of Portland to grant further aid in the construction of the Portland and Ogdensburg Railroad.

Be it enacted by the Senate and House of Representatives in Legislature assembled, as follows :

SECTION 1. The city of Portland is hereby authorized
2 to loan its credit to the Portland and Ogdensburg
3 Railroad Company, in aid of the construction of their
4 railroad, subject to the following terms and conditions.

SECT. 2. This act shall not take effect until it be
2 accepted by the directors of said railroad company and
3 by the vote of the inhabitants of said city, voting in
4 ward meetings, duly called according to law : and at
5 least two thirds of the votes cast at such ward meet-
6 ings, shall be necessary for the acceptance of the act.

7 The returns of such ward meetings shall be made to
8 the aldermen of the city, and by them counted and
9 declared, and the city clerk shall make a record
10 thereof.

SECT. 3. Upon the acceptance of the act as afore-
2 said, the city treasurer shall make, and issue from
3 time to time, for the purposes contemplated in this act,
4 the scrip of said city, in convenient and suitable sums,
5 payable to the holder thereof, on a term of time, not
6 less than thirty nor more than forty years, with coupons
7 for interest at six per cent. attached, payable semi-
8 annually or yearly. The whole amount of said scrip
9 shall not exceed twenty-five hundred thousand dollars,
10 and the same shall be delivered by the city treasurer
11 to the directors of said railroad company, subject to
12 the several provisions of this act: The proceeds of the
13 same shall be applied by the directors of the company
14 exclusively to the construction, and necessary equip-
15 ment of the Portland and Ogdensburg railroad.

SECT. 4. Before the delivery of any portion of the
2 scrip aforesaid, the directors of the railroad company
3 shall execute and deliver to the city treasurer, for the
4 city, the bond of the company, in a suitable penal
5 sum, conditioned that the company will duly pay the
6 interest and the principal of said scrip, and will hold
7 the city harmless and free, from all expenditure,

8 damage or loss, on account of the issue and delivery
9 of the same.

SECT. 5. As a further security for the issue and
2 delivery of said scrip, the directors of the company
3 shall also deliver to the city treasurer, the mortgage
4 bonds of said company, issued and bearing date, on the
5 first day of November, eighteen hundred and seventy-
6 one, and secured by a deed of trust and mortgage of
7 said railroad, and the franchise and property of the
8 company, of the same date heretofore executed and
9 delivered by said company to trustees, for the benefit
10 of the holders of the mortgage bonds aforesaid. The
11 amount of said mortgage bonds so delivered to the city
12 treasurer, shall be equal to the amount of scrip issued
13 and delivered under this act, and the same shall be
14 held by the city treasurer for the time being, as col-
15 lateral security to the obligation and bond given by
16 the company as aforesaid, to hold and save the city
17 harmless on account of the issue and delivery of said
18 scrip. Upon the payment by the company of the in-
19 terest which shall from time to time accrue upon said
20 scrip, the city treasurer shall cancel and surrender to
21 the company, an amount of the interest warrants
22 attached to said mortgage bonds, equal to, and corres-
23 ponding as nearly as may be in date, to the amount of
24 interest so paid on said scrip.

SECT. 6. At the maturity of the mortgage bonds
2 herein provided to be delivered as collateral security,
3 and after the payment of all the other mortgage bonds
4 issued under said deed of trust and mortgage, if any
5 portion of the scrip hereby authorized to be issued,
6 shall be unredeemed and outstanding, the trustees, for
7 the time being, under said deed of trust and mortgage,
8 shall be authorized to release and assign to the city of
9 Portland, all the title and interest which they may
10 then have in the estate, property and franchise of the
11 company by virtue of said deed, and of any other con-
12 veyance made in pursuance of the covenants therein
13 contained, which conveyance shall be a discharge of
14 said trustees from all trusts created and declared in
15 said deed, and the city shall, by such conveyance, take
16 and hold the said estate, property and franchise as in
17 mortgage, for the security and indemnity of the city,
18 on account of the issue and delivery of its scrip as
19 herein authorized, until the final redemption and re-
20 imbursement of said scrip, and the interest accruing
21 thereon.

SECT. 7. The directors shall also transfer to the city
2 upon the delivery of any portion of the scrip herein
3 authorized, an equal amount in the shares of the com-
4 pany, until the whole number of shares authorized
5 under the charter of said company, shall be issued, to

6 be held as collateral security for the bond of the com-
7 pany required to be given in such case, and the shares
8 so held as collateral, shall be credited on the stock
9 books of the company, as fully paid up and no assessment
10 shall ever be required thereon, nor shall any dividends
11 be paid on the same, nor any right of voting or acting
12 at the meetings of the company be claimed or exercised
13 by reason of said shares so long as the same shall be
14 held as collateral as aforesaid.

Sinking Fund.

SECT. 8. For the purpose of providing for the reim-
2 bursement of the principal of the scrip, authorized to
3 be issued by this act, there shall be established, a
4 sinking fund, and two commissioners shall be appointed
5 to manage the same who shall be appointed by the
6 mayor and aldermen of the city, and in case of vacancy
7 in the place of either, the same shall be supplied by
8 the mayor and aldermen. Both of said commissioners
9 shall be appointed and qualified before the delivery to
10 the directors of any of the scrip. The commissioners
11 shall severally be sworn to the faithful discharge of the
12 duties enjoined upon them by this act, in presence of
13 the city clerk, who shall make a certificate and record
14 thereof as in the case of the qualification of city
15 officers; each commissioner shall give a bond to the
16 city with satisfactory sureties in the penal sum of

17 twenty thousand dollars, conditioned for the faithful
18 discharge of his duty as commissioner. They shall
19 receive such compensation as may be established by the
20 directors, which shall be paid to them by the company
21 and shall not be diminished during their continuance
22 in office.

SECT. 9. The said company at the expiration of five
2 years from the first delivery of any of the scrip author-
3 ized as aforesaid, to be delivered, shall pay to the city
4 treasurer one per cent of the whole amount of
5 said scrip, which payment shall be by the city treas-
6 urer, placed to the credit of the commissioners of the
7 sinking fund, and shall constitute a part of said fund ;
8 and thereafter the said company shall also annually,
9 in the month of September pay to the city treasurer
10 from the income of the road one per cent. of the
11 whole amount of said scrip then outstanding, which
12 annual payments shall be successively placed to the
13 credit of the commissioners of the sinking fund, and
14 shall constitute a part of said fund.

SECT. 10. The commissioners shall have the care
2 and management of all the moneys and securities at
3 any time belonging to said fund ; but the moneys
4 invested and the securities shall be in custody of the
5 city treasurer, who shall be by virtue of his office,
6 treasurer of the sinking fund and shall be responsible,

7 on his official bond to the city, for the safe keeping of
8 the moneys and securities of the fund. He shall pay
9 out and deliver any of the said moneys and securities
10 only upon the warrant of the commissioners.

SECT. 11. The commissioners shall from time to
2 time at their discretion, invest the moneys on hand
3 securely, so that they shall be productive, and the
4 same may be loaned on mortgage of real estate, or to
5 any county, or upon pledge of the securities of any
6 county in this state, or invested in the stock of this
7 state, or of the United States, or in the bonds of any
8 railroad company in New England, whose road is
9 completed, and whose capital has been wholly paid in.
10 Any portion of the fund may be invested in the city
11 scrip, authorized by this act, and such scrip shall not
12 thereby be extinguished but shall be held by the com-
13 missioners, like their other investments, for the pur-
14 poses of the fund. An amount not exceeding ten per
15 cent. of the fund may be loaned on pledge of the
16 stock of any bank, or of any stock insurance company
17 in this state, and the commissioners may from time to
18 time, sell and transfer any of said securities.

SECT. 12. The sinking fund and all the sums which
2 shall be added thereto by accumulation, upon the
3 investment thereof, shall be reserved, and kept invio-
4 late, for the redemption and reimbursement of the

5 principal of said scrip at the maturity thereof, and
6 shall be applied thereto by the commissioners.

SECT. 13. Any of the shares in the stock of the
2 railroad company, held by the city as collateral, may
3 be sold and transferred by direction of the commis-
4 sioners of the sinking fund, with the consent of the
5 directors of the railroad company, whenever an ex-
6 change thereof can be advantageously made for any
7 of the city scrip, authorized by this act, or whenever
8 the said scrip can be advantageously purchased with
9 the proceeds of any such sale of such collateral shares.
10 And the scrip so purchased, or taken in exchange,
11 shall be thereupon cancelled and extinguished, and
12 the amount thereof shall be endorsed on the respective
13 bonds of the railroad company given on the issue of
14 and delivery of such scrip. But no part of the sink-
15 ing fund, or of its accumulations shall be applied at
16 any time or in any manner to the redemption and
17 extinguishment of the scrip before maturity thereof.

SECT. 14. The commissioners shall keep a true
2 record of all their proceeding, and an account of all
3 sums paid into the fund, and of the investments made of
4 the same, and shall annually in the month of July,
5 report to the mayor and aldermen, and to the directors
6 of the railroad company, their proceedings for the year,
7 the amount and condition of the fund, and the income

8 of the several parts thereof. And their records and
9 the accounts of the fund, and the securities belonging
10 thereto shall at all times be open to inspection by such
11 committee as may be appointed for that purpose, by
12 the mayor and aldermen or by the directors of the
13 company.

SECT. 15. To secure the faithful discharge of the sev-
2 eral trusts confided to the said commissioners under this
3 act, the supreme judicial court is hereby empowered,
4 upon the complaint of the mayor and aldermen, or of
5 the directors of the railroad company against the said
6 commissioners, or either of them, concerning any of said
7 trusts and duties, by summary process according to the
8 course of proceedings in equity, to hear and adjudge
9 upon the matter of such complaint, and to issue thereon
10 any suitable writ or process, and make any proper de-
11 cree to compel the appropriate discharge and perform-
12 ance of such trusts and duties, and to remove the said
13 commissioners, or either of them ; and in case of such
14 removal the vacancy shall be immediately supplied, as
15 provided in the tenth section of this act.

SECT. 16. If the said sinking fund, with its accumu-
2 lations, shall at any time exceed the amount of the
3 scrip, unredeemed and outstanding, all such excess
4 shall be annually paid over to the railroad company ;

5 and if any surplus of the fund shall remain after the
6 redemption and reimbursement of all the scrip, such
7 surplus shall be paid over to the company.

SECT. 17. The treasurer of the city of Portland,
2 shall, on request of the directors of the said railroad
3 company, after the acceptance of this act by the inhab-
4 itants of said city, and the execution and delivery of
5 the bond of said company before mentioned, issue and
6 deliver to the treasurer of the said railroad company
7 towards said loan, bonds of said city of Portland, to
8 the amount of fifty thousand dollars, and thereafter to
9 issue and deliver to said treasurer of said company,
10 bonds of said city of Portland, in sums of fifty thou-
11 sand dollars, as often as it shall appear, by the report
12 of the engineer of said railroad company, and to the
13 satisfaction of the mayor and aldermen of said city,
14 that work has been done or materials furnished to the
15 amount before granted, on the extension of said rail-
16 road from North Conway to a connection with the
17 western division at the Connecticut river, until the
18 entire amount of the loan shall be furnished.

SECT. 18. This act shall take effect and be in force
2 from and after its approval by the governor, so far as
3 to authorize the directors of the company and the
4 inhabitants of the city to act upon the question of ac-
5 cepting the same. The several ward meetings of the

6 inhabitants for that purpose, shall be called and holden
7 within thirty days after request by the president and
8 directors of said company to the mayor and aldermen
9 therefor, and within one year after the approval of this
10 act ; and if the act shall be accepted as aforesaid, then
11 after such acceptance and record thereof, all the parts
12 of the act shall take effect, and be in force. And the
13 citizens of Portland may vote twice upon the question
14 of accepting this act, and no more.

STATE OF MAINE.

IN HOUSE OF REPRESENTATIVES, }
February 17, 1872. }

Reported from the Committee on Railroads, Ways and Bridges,
by Mr. WOODBURY of Houlton, and ordered to be printed on
motion of Mr. FESSENDEN of Portland.

S. J. CHADBOURNE, *Clerk.*