

MAINE STATE LEGISLATURE

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NEW DRAFT.

Seventieth Legislature.

HOUSE.

No. 403

STATE OF MAINE.

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND ONE.

AN ACT in relation to corporations and to provide for a
revenue therefrom.

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

Section 1. Every corporation incorporated under the
2 laws of this state, excepting religious, charitable, educa-
3 tional and benevolent corporations, and excepting such
4 corporations as may be organized under chapter fifty-five
5 of the Revised Statutes, and such corporations as are
6 liable to a franchise tax under some other law of this
7 state, and such corporations as have been or may here-
8 after be excused from filing annual returns under the pro-

9 visions of section 36 of chapter 46 of the Revised Stat-
10 utes, so long as its franchises remain unused, shall, on or
11 before the first day of June, annually, file in the office of
12 the secretary of state, a return signed by its president or
13 treasurer, verified under oath, containing the names of its
14 directors, president, treasurer and clerk, with the resi-
15 dence of each, the location of its principal office in this
16 state, and the amount of its authorized capital stock ; and
17 for this purpose the secretary of state shall furnish blanks
18 in proper form and safely keep in his office all such
19 returns. Every corporation failing to comply with the
20 provisions of this section shall forfeit to the state two
21 hundred dollars to be recovered with costs, in an action
22 of debt to be prosecuted in the name of the state by the
23 attorney general.

Sect. 2. It shall be the duty of the secretary of state,
2 on or before the first day of July, annually, to furnish the
3 attorney general with a statement showing which of said
4 corporations, if any, have failed to comply with section
5 one hereof, with such other memoranda from his office as
6 will aid the attorney general in obtaining service upon
7 such delinquent corporation. The attorney general shall
8 promptly prosecute such delinquent corporations and make
9 itemized return thereof in his annual report.

Sect. 3. Every corporation incorporated under the
2 laws of this state, except such as are excepted by section
3 one of this act, shall pay an annual franchise tax of five
4 dollars, provided the authorized capital of said corpora-
5 tion does not exceed fifty thousand dollars, of ten dollars,
6 provided said authorized capital stock exceeds fifty thou-
7 sand dollars, and does not exceed two hundred thousand

8 dollars, of twenty-five dollars, provided said authorized
9 capital exceeds two hundred thousand dollars, and does
10 not exceed five hundred thousand dollars, of fifty dollars,
11 provided said authorized capital exceeds five hundred
12 thousand dollars, and does not exceed one million dollars,
13 and the further sum of twenty-five dollars per annum per
14 one million dollars, or any part thereof, in excess of one
15 million dollars.

Sect. 4. The state board of assessors shall, on or before
2 the first day of July, annually, assess the annual franchise
3 tax provided for by section three of this act upon the
4 authorized capital stock of each of said corporations and
5 shall certify and report the same to the secretary of state,
6 who shall thereupon notify each of said corporations of
7 the amount of said tax assessed to it, and such tax shall
8 become due and payable from said corporation into the
9 state treasury, on the first day of September thereafter.

Sect. 5. Such tax shall be a debt due from such corpo-
2 ration to the state, for which an action of debt may be
3 maintained after the same shall have been in arrears for
4 the period of one month; such tax shall also be a pre-
5 ferred debt in case of insolvency under the laws of this
6 state, or in any process of liquidation in its courts.

Sect. 6. If any corporation liable to taxation under this
2 act shall for one year neglect or refuse to pay to the state
3 any tax or penalty assessed against it under this act its
4 charter shall be liable to forfeiture as hereinafter provided.

Sect. 7. It shall be the duty of the state treasurer,
2 whenever any tax due under this act from any company
3 shall have remained in arrears for a period of six months
4 after the same shall have become payable to report the

5 same to the attorney general, who shall forthwith apply to
6 the supreme judicial court in equity in the name of the
7 state, for the forfeiture of the charter of such delinquent
8 corporation, and said court shall order such notice to all
9 parties interested as it may deem proper and shall have
10 jurisdiction in said cause to appoint receivers, issue injunc-
11 tions and pass interlocutory decrees and orders according
12 to the usual course of proceedings in equity, and to make
13 such final orders and decrees as the nature of the case may
14 require.

Sect. 8. Section seventeen of chapter forty-eight of the
2 Revised Statutes, as amended by section one of chapter
3 ninety-nine of the Public Laws of eighteen hundred and
4 ninety-one, is hereby further amended by striking out the
5 words, "nor more than ten million," so that said section
6 seventeen as amended shall read as follows :

'Sect. 17. Their first meeting shall be called by one or
8 more of the signers of said articles, by giving notice
9 thereof, stating the time, place and purposes of the meet-
10 ing to each signer, in writing, or by publishing it in some
11 newspaper printed in the county, at least fourteen days
12 prior to the time appointed therefor. At such meeting,
13 they may organize into a corporation, adopt a corporate
14 name, define the purposes of the corporation, fix the
15 amount of the capital stock, which shall not be less
16 than one thousand dollars, divide it into shares and elect
17 a president, not less than three directors, a clerk, treasurer,
18 and any other necessary officers, and may adopt a code of
19 by-laws.'

Sect. 9. If all the signers of said articles shall in writ-
2 ing waive notice and fix a time and place of the first meet-

ing, required under section seventeen of chapter forty-eight of the Revised Statutes, no notice or publication shall be necessary.

Sect. 10. Any corporation of this state may conduct business in other states, territories, or possessions of the United States, or in foreign countries, and have one or more officers out of the state, and may hold, purchase, mortgage and convey real estate and personal property out of this state.

Sect. 11. Every corporation of this state shall have power to create two or more kinds of stock with such classes, with such designations, preferences and voting powers, or restrictions or qualification thereof, as shall be fixed and determined in the by-laws, or by vote of the stockholders at a meeting duly called for the purpose.

Section 12. Every corporation organized under chapter forty-eight of the Revised Statutes may change the par value of its shares at a meeting of the stockholders called for the purpose by a vote representing a majority of the stock issued, and a certificate thereof signed by the president or clerk shall be filed in the office of the secretary of state in the same manner as now provided by law for changes in charter or certificate of organization.

Sect. 13. Any corporation of this state may purchase mines, manufactories and other property necessary for its business, and the stock of any company or companies owning, mining, manufacturing or producing materials, or other property necessary for its business, and issue stocks to the amount of the value thereof in payment therefor, and may likewise issue stock for services rendered to such corporation, and the stock so issued shall be full paid

9 stock and not liable to any further call or payment
10 thereon ; and in the absence of actual fraud in the trans-
11 action the judgment of the directors as to the value of
12 the property purchased, or services rendered, shall be
13 conclusive.

Sect. 14. Any corporation organized under chapter
2 forty-eight of the Revised Statutes may purchase, hold,
3 sell, assign, transfer, mortgage, pledge or otherwise dis-
4 pose of the shares of the capital stock of, or any bonds,
5 securities or evidences of indebtedness created by any
6 other corporation or corporations of this or any other
7 state, territory or country, and while owner of such stock
8 may exercise all the rights, powers and privileges of
9 ownership, including the right to vote thereon.

Sect. 15. A copy of every decree or judgment dissolv-
1 ing a corporation or forfeiting its charter shall be forth-
2 with filed by the clerk of the court in the office of the
3 secretary of state and there recorded.

Sect. 16. Section thirty-one of chapter forty-six of the
2 Revised Statutes as amended by chapter three hundred
3 and fifteen of the Public Laws of 1885 is hereby amended
4 by striking out in the first line of said section the words
5 "and clerks or treasurers," so that said section as amended
6 shall read as follows :

'Sect. 31. Such cashiers shall, between the first day of
8 November and the eighth day of December, annually,
9 make return to the secretary of state of the names of all
10 stockholders, their residences, the amount of stock owned
11 by each and the whole amount of stock paid in on said
12 first day of November. The secretary shall lay the same

13 before the legislature within the first thirty days of the
14 session.'

Sect. 17. Section five of chapter forty-six of the
2 Revised Statutes is hereby amended by adding after the
3 word "present," the words 'in person or by proxy,' so
4 that said section as amended shall read as follows :

'Sect. 5. When all the members of a corporation are
6 present in person or by proxy at a meeting and sign a
7 written consent on the record thereof, such meeting is
8 legal.'

Sect. 18. Section twenty of chapter forty-eight
2 of the Revised Statutes as amended by section three
3 of chapter ninety-nine of the laws of eighteen hun-
4 dred and ninety-one and by section two of chapter
5 two hundred and twelve of the laws of eighteen hundred
6 and ninety-three, is hereby amended by striking out the
7 words, "not exceeding ten million dollars," so that said
8 section as amended shall read as follows :

'Sect. 20. If the stockholders of any corporation created
10 by special charter and not charged with the performace of
11 any public duty, or organized under the general laws of the
12 state, find that the amount of its capital stock is insufficient
13 for the purposes for which said corporation is organized,
14 or that the number of directors is inconvenient for the
15 transaction of its business, the stockholders may by a vote
16 representing a majority of the stock issued, increase the
17 amount of its capital stock to any amount, and may change
18 the number of their directors in like manner, and the cor-
19 poration shall file a certificate thereof with the secretary of
20 state within ten days thereafter, and thereupon said vote
21 shall take effect. When the capital stock is increased

22 from ten thousand dollars or less to not exceeding five
23 hundred thousand dollars, the corporation shall pay to the
24 treasurer of state for the use of the state the sum of forty
25 dollars. When the capital stock is increased to any
26 amount exceeding five hundred thousand dollars it shall
27 pay to the treasurer of state for the use of the state the
28 sum of ten dollars for each one hundred thousand dollars
29 of such increase, and the treasurer's receipt for the same
30 shall be filed with the secretary of state before he shall be
31 authorized to receive any certificate of any increase of
32 capital stock.'

Sect. 19. Any corporation whose duty it is to make the
2 return provided by section one of this act shall, upon
3 complying with section thirty-six of chapter forty-six of
4 the Revised Statutes, be excused from making such return
5 so long as its franchises remain unused.

Sect. 20. All acts and parts of acts inconsistent with
2 this act are hereby repealed.

STATE OF MAINE.

IN HOUSE OF REPRESENTATIVES,
AUGUSTA, March 13, 1901.

Reported by Mr. ALLEN of Sanford, from Committee on Taxation,
and ordered printed under joint rules.

W. S. COTTON, *Clerk.*