

MAINE STATE LEGISLATURE

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SEVENTY-SEVENTH LEGISLATURE

SENATE

NO. 106

In Senate, Feb. 16, 1915.

Ordered, That five hundred copies be printed and that the same be referred to the Aroostook County Delegation.

Committee on Reference.

Presented by Mr. Burleigh of Aroostook.

STATE OF MAINE

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

AN ACT to enable the county of Aroostook to aid in the
construction of the Quebec Extension Railway.

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

Section 1. The county of Aroostook is hereby authorized
2 to lend its credit for the purpose of aiding the construction
3 of the Quebec Extension Railway, to the extent and upon
4 the terms and conditions hereinafter provided.

Sect. 2. The said county of Aroostook is hereby author-
2 ized to guarantee the principal and interest of and upon
3 four million (\$4,000,000) dollars of the first mortgage bonds
4 of the Quebec Extension Railway Company, said first mort-

5 gage bonds to run fifty (50) years, but to be redeemable
6 at the option of the said railway company at the end of
7 thirty (30) years. Said bonds to bear interest at four and
8 one-half ($4\frac{1}{2}\%$) per cent, payable semi-annually, provided
9 however that the said railway company shall not issue more
10 than thirty-two thousand (\$32,000) dollars of first mort-
11 gage bonds per mile, for the purpose of constructing and
12 equipping its road. No bonds shall be issued, as herein-
13 after provided, until the entire line shall be under contract,
14 which said contract shall be approved by the county commis-
15 sioners of said Aroostook county, and a guarantee given to
16 the county commissioners and treasurer of Aroostook county
17 satisfactory to the said commissioners and treasurer, or a
18 majority thereof, that the line shall be completed under the
19 contract for such construction. The bonds of said railway
20 company, when issued, to be placed in the hands of a trust
21 company satisfactory to the treasurer of said county, which
22 trust company shall act as a trustee for the bonds.

Sect. 3. On or before the 15th day of July, 1915, the
2 county commissioners of Aroostook county shall issue war-
3 rants to the selectmen of towns and the assessors of plan-
4 tations in said county of Aroostook, commanding them to
5 warn and notify the voters of their respective towns and
6 plantations to meet upon a day named in the warrant of
7 said county commissioners, at the places and in the manner
8 provided by law for holding town and plantation meetings,
9 and to then and there give in their votes upon the follow-
10 ing question:

“Shall the county commissioners and county treasurer execute and deliver to the Quebec Extension Railway Company the agreement of the county of Aroostook to guarantee the interest and principal of and upon four million (\$4,000,000) dollars of the first mortgage bonds of said company, said bonds bearing interest at four and one-half ($4\frac{1}{2}\%$) per cent, payable semi-annually, being payable in fifty (50) years, but redeemable after thirty (30) years, and the commissioners thereafter guarantee such interest and principal in behalf of the said county of Aroostook, the entire first mortgage bonds not to exceed four million (\$4,000,000) dollars or thirty-two thousand (\$32,000) dollars per mile, the bonds not to run more than fifty (50) years, and the rate of interest not to exceed four and one-half ($4\frac{1}{2}\%$) per cent per annum, subject to the provisions of the act of the legislature authorizing the same, which agreement and guarantee shall not be executed and delivered after January first in the year of our Lord one thousand nine hundred and nineteen.”

The lists prepared for annual town meetings in 1915, revised as the lists for annual town meetings are revised, as provided in the statutes of this state, shall be used at such meetings, and the same proceedings to be had as is provided for such town or plantation meetings, and they shall be warned, notified and held in the same manner as other town and plantation meetings. At said meetings the legal voters shall vote by ballot upon said question, those in favor of

38 the same expressing it by the word "Yes" upon their ballot,
39 and those opposed thereto expressing it by the word "No"
40 upon their ballot. The ballots shall then be received, count-
41 ed and declared in town or plantation meetings, and lists
42 of the votes so received shall be made and returned to the
43 clerk of the county commissioners at Houlton, in said county.
44 The county commissioners shall count the same, declare
45 and record the result. If a majority of all the votes cast
46 are in the affirmative, then the county commissioners and
47 county treasurer of said Aroostook county shall have full
48 authority, and shall, within thirty (30) days thereafter, in
49 the name of said county, and in its behalf, execute and
50 deliver to said company the agreement of said county to
51 guarantee the principal and interest of and upon the first
52 mortgage bonds of said company, as is authorized by said
53 vote, and herein provided by this act. If a majority of
54 all the votes cast are in the negative, the county commis-
55 sioners shall, on or before the 15th day of July, 1916, at
56 the request of the railway company, submit the question
57 again to the voters of the county, in the manner and under
58 the conditions hereinbefore provided, and, if a majority of
59 all the votes cast in this second election are in the affirma-
60 tive, the same proceedings shall be had, and the same effect
61 be given to the vote as though the majority had so voted at
62 the first election.

Sect. 4. The manner of delivering the said bonds to the
2 railway company, bearing the guarantee of said county of
3 Aroostook, to be as follows:

When the work has commenced, monthly estimates shall
5 be made by the engineer in charge of the same as the work
6 progresses, and he shall issue his certificate showing the
7 pro rata work done upon the road up to that date, which
8 certificate shall be approved by the county commissioners
9 and the county treasurer, or by a competent engineer ap-
10 pointed by the county commissioners and county treasurer.
11 If these two engineers cannot agree as to the amount of
12 the certificate, a third man, a competent civil engineer, who
13 shall be agreed upon by the two first mentioned engineers,
14 shall be chosen, and the certificate signed by any two of
15 the engineers aforesaid shall be acted upon and considered
16 an order upon the trustee for the delivery to the railway
17 company of the amount of its bonds named in said certifi-
18 cate, said trustee shall deliver to the company or its order,
19 stamped with the said guarantee of the county commis-
20 sioners and county treasurer, the number of bonds named
21 in such certificate, not exceeding in all four million (\$4,000,-
22 000) dollars. The compensation of said engineers shall be
23 paid by the railway company.

Sect. 5. The net earnings of said road, after paying for the
2 operating expenses and repairs, shall be applied to the pay-
3 ment of the interest on the bonds. Beginning ten (10) years
4 after the date of the issue of said bonds, after paying said
5 operating expenses, repairs and interest on the bonds, one-
6 half of the further earnings of the road shall be laid aside
7 as a surplus to constitute a sinking fund, for the purpose

8 of paying the principal of said bonds at maturity, it being
9 the intent and meaning of this act that the county of Aroos-
10 took shall guarantee the principal and interest upon the
11 bonds aforesaid, or any deficiency, if any there be, after
12 applying that portion of the earnings of said road applicable
13 to the payment of the interest and principal aforesaid, as
14 is provided in this section.

Sect. 6. The issue of stock and bonds of said Quebec
2 Extension Railway Company shall not exceed ten thousand
3 (\$10,000) dollars of stock and thirty-two thousand (\$32,-
4 000) dollars of first mortgage bonds per mile.

Sect. 7. The treasurer of Aroostook county is hereby
2 authorized and empowered to make such temporary loans
3 of money on the credit of the county as may be necessary
4 to carry out the provisions of this act. And said treasurer
5 shall, on or before the date upon which the coupons of said
6 bonds become due, pay over to the trustee for said bonds
7 the interest due upon said bonds, or any deficiency that
8 may exist, after applying to such payment that portion of
9 the net earnings applicable thereto, as provided in section
10 5 of this act. And the treasurer of said railway company
11 shall, at least once each year, make a statement to the said
12 county treasurer showing the gross amount earned, the
13 amount of operating and all other expenses connected with
14 the running of said road, and a statement of the amount
15 of money that he has deposited with said trustee applicable

16 to the payment of the interest upon the bonds issued by
17 said railway company under this act.

Sect. 8. The deed of trust securing said bonds shall con-
2 tain suitable clauses providing that all sums paid for in-
3 terest by said county shall be refunded to said county out
4 of the net earnings as fast as a surplus accrues from said
5 earnings, after paying operating expenses and repairs; also
6 providing that in all legal or equitable proceedings under
7 said trust deed the rights of said county shall be fully pro-
8 tected.

Sect. 9. While said Aroostook county is liable under said
2 guarantee, the county treasurer of said Aroostook county,
3 ex-officio, shall be one of the board of directors of said
4 railway company, who shall be elected at the annual meet-
5 ing of said company, and the by-laws of said company shall
6 be amended to conform herewith before said county com-
7 missioners and county treasurer shall execute said guaran-
8 tee as hereinbefore provided.

Sect. 10. No lease or sale of the Quebec Extension Rail-
2 way shall be made to any person or corporation without the
3 consent of the county commissioners and treasurer of said
4 county, or a majority thereof.

Sect. 11. All taxes annually received by the state of Maine
2 from said Quebec Extension Railway Company shall be
3 annually paid by the state of Maine to the treasurer of said
4 Aroostook county, for the use of said county, to an amount
5 not to exceed the net amount of interest paid by said county
6 on its guarantee aforesaid during the year preceding.