

MAINE STATE LEGISLATURE

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NEW DRAFT.

SEVENTY-EIGHTH LEGISLATURE

SENATE

NO. 321

In Senate Chamber, March 13, 1917.

*Reported by Senator Stanley from Committee on Banks and
and Banking and one thousand copies ordered printed under
Joint Rules.*

W. E. LAWRY, Secretary.

STATE OF MAINE

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

AN ACT to permit savings banks to invest in certain rail-
road bonds.

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

Section 1. Amend Section 27, Chapter 52 of the Revised
2 Statutes by striking out all of paragraph "b", sub-section
3 third, and inserting in place thereof the following:

'b. In the bonds of any railroad company organized under
2 the laws or any other state of the United States and located
3 within the United States. Such bonds shall be secured by
4 liens upon a completed railroad of standard gauge and of

5 not less than one hundred miles in length exclusive of sid-
6 ings and may be of any of the several classes established by
7 paragraph "c."

'Sect. 2. Paragraph "c" of sub-section third is hereby
2 stricken out and in place thereof insert the following:

'c. First mortgage bonds, and underlying mortgage bonds
2 other than first mortgage bonds, provided, that at the end
3 of each of the three years next preceding the time of mak-
4 ing the investment the net earnings of the company shall
5 have been not less than one and one-third times the annual
6 interest on the bonds in question and all prior liens; and
7 provided, further, that the mortgage or mortgages securing
8 any issue or issues of such underlying bonds is or are prior
9 to and to be refunded by a mortgage which covers a mile-
10 age at least twenty-five per centum greater than is covered
11 by any prior mortgage which it is destined to refund and
12 that such refunding mortgage is a first mortgage upon that
13 part of the mileage covered by it which is in excess of,
14 and distinct from, the mileage covered by all prior mort-
15 gages.

Consolidated mortgage bonds and refunding mortgage
2 bonds; provided, that the net earnings of the company for
3 the above-stipulated three-year period shall have been not
4 less than one and one-half times the annual interest on all
5 of its interest-bearing indebtedness; and provided, further,
6 that the mortgage by which an issue of any such bonds is
7 secured covers a mileage at least twenty-five per centum

8 greater than is covered by any prior mortgage which it is
9 destined to refund and is a first mortgage upon that part
10 of the mileage covered by it which is in excess of and dis-
11 tinct from the mileage covered by all prior mortgages.'

Sect. 3. Amend paragraph "e" of said chapter and section
2 by striking out the word "street" in the first line of said
3 paragraph, and inserting in place thereof the word 'elec-
4 tric' so that said paragraph as amended shall read as fol-
5 lows:

'e: Electric railroad companies are not railroad com-
2 panies within the meaning of the foregoing clauses of this
3 section.'