

MAINE STATE LEGISLATURE

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NEW DRAFT.

SEVENTY-EIGHTH LEGISLATURE

SENATE

NO. 357

In Senate, March 20, 1917.

*Reported by Mr. Baxter from Committee on Banks and
Banking and 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 on Certain Electric
Railroad Bonds.

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

Section 1. Amend Section 27, Chapter 52, Sub-division
2 Third, Paragraph f by striking out all of said paragraph and
3 in place thereof inserting the following:

‘f, (1): In the bonds of electric railroads constructed in
2 this state prior to the twenty-seventh day of April, eighteen
3 hundred and ninety five, and in bonds of electric railroads in
4 this State constructed after said date; provided, an amount
5 of capital stock equal to thirty-three and one-third per cent

6 of the mortgage debt shall have been paid in, in cash, and
7 expended upon the road evidenced by a certificate of the
8 Public Utilities Commission or of the Bank Commissioner
9 of this State, filed in the office of the Secretary of State, that
10 said percentage has been paid in and expended upon the road
11 in addition to the amount of the bonded debt; provided,
12 further that in lieu of the foregoing certificate such bonds
13 may be certified as legal for the purpose hereof on satis-
14 factory proof to the bank commissioner that annual divi-
15 dends in amount equal to five per centum per annum on an
16 amount of capital stock equal to one-third of the bonded
17 debt has been earned and paid for a period of five years next
18 prior thereto.

‘f, (2): In the first mortgage bonds of any completed
2 electric railroad which is located wholly or partly in the
3 states of New Hampshire, Vermont, Massachusetts, Rhode
4 Island, Connecticut, New York, New Jersey, Pennsylvania,
5 Maryland, Ohio, Indiana, Kentucky, Michigan, Wisconsin,
6 Minnesota, Iowa, Illinois, Missouri, Kansas, Nebraska,
7 California, Colorado, Delaware, North Dakota, South Da-
8 kota, West Virginia, Idaho, Montana, Oregon, Oklahoma
9 and Washington; provided, that all certificates hereinafter
10 issued making such bonds legal for investments by savings
11 banks shall show that in addition to the provisions specified
12 in the first clause of this paragraph the average net income
13 of said corporation for a period of three years next prior to
14 making such bonds legal shall have been not less than one

15 and one-half times interest charges on the bonds outstanding
16 secured by such mortgage and all prior liens, evidenced by a
17 certificate of the bank commissioner of this state filed in the
18 office of the Secretary of State of this state; and the bank
19 commissioner for making investigation upon any application
20 filed under the provisions of this paragraph shall charge a
21 reasonable fee for services and expenses attendant thereon,
22 including the payment of experts, and in no case shall such
23 fee be less than twenty-five dollars, the same to be paid by
24 the railroad company seeking to make its bonds a legal in-
25 vestment under this paragraph, whether the same are ad-
26 mitted or not, and all sums so collected shall be added to the
27 appropriation for the banking department, to be expended by
28 the bank commissioner under the authority and with the ap-
29 proval of the Governor and Council. No bonds secured by
30 an open mortgage shall be legal under this section unless the
31 mortgage provides that the total amount of bonds certified
32 and outstanding under it shall at no time exceed eighty per
33 cent of the amount of cash expended upon the road. All
34 certificates heretofore issued wherein any bonds were made
35 legal investments for savings banks shall continue to be in
36 full force and effect, the provisions of this paragraph not-
37 withstanding.'

Sect. 2. Amend Paragraph g of said chapter and section
2 by striking out all of said paragraph and in place thereof
3 inserting the following:

'g: In consolidated or refunding bonds, which are of an

2 issue to retire the entire funded debt under the conditions
3 as applied to first mortgage bonds in paragraphs b, c and f
4 of this sub-division, and which are secured by a mortgage
5 on the whole or any part of the system; provided, that all
6 certificates hereinafter issued making such bonds legal for
7 investments by savings banks shall show that in addition to
8 the provisions specified in the first clause of paragraph f of
9 the average net income of said corporation for a period of
10 three years next prior to making such bonds legal shall have
11 been not less than two times interest charges on the bonds
12 outstanding secured by such mortgage and all prior liens.'