

MAINE STATE LEGISLATURE

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E I G H T Y - S I X T H L E G I S L A T U R E

Legislative Document

No. 531

S. P. 338

In Senate, Feb. 8, 1933.

Referred to Committee on Public Utilities and 500 copies ordered printed.
Sent down for concurrence.

ROYDEN V. BROWN, Secretary.

Presented by Senator Murchie of Washington.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED THIRTY-
THREE

AN ACT Controlling Public Utility Relations with Affiliated Interests
Involving Contracts and Loans.

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

Sec. 1. Public utility relations with affiliated interests involving contracts and loans. Chapter 62 of the revised statutes is hereby amended by adding thereto the following section:

'**Sec. 38-A.** No public utility doing business in this state shall extend credit or make loans to or make any contract or arrangement, providing for the furnishing of management, supervision of construction, engineering, accounting, legal, financial, or similar services, or for the furnishing of any service other than those above enumerated, with any corporation, person, partnership or trust, holding, controlling or owning in excess of 25% of the voting capital stock of such public utility, or with any other corporation which is itself owned or controlled by or affiliated with any corporation, person, partnership or trust, holding, controlling or owning a majority of the voting capital stock of such public utility, until such contract or arrangement shall have received the written approval of the public utilities commission. Provided, however, that the commission shall in the case of any utility have the power to exempt herefrom, from time to time, such classes of transactions as it may specify in writing in advance and which in its judgment will not affect the public interest.'

Sec. 2. Commission approval required on short term obligations. Section 41 of chapter 62 of the revised statutes, as amended by chapter 120 of the public laws of 1931, is hereby further amended by adding at the end of the 1st sentence of the 1st paragraph the following:

'No such public utility shall issue any bonds, notes, or other evidences of indebtedness, payable less than 12 months after the date thereof, to an amount exceeding 40% of the par value of its outstanding capital stock having a par value, or 40% of the book value of its outstanding capital stock, if any, without par value, without first obtaining the approval of the commission. In the case of evidences of indebtedness issued for any new construction, the approval of the commission may in its discretion be given by general order upon petition and such notice, if any, as it may order.'