

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

EIGHTY - SEVENTH LEGISLATURE

Legislative Document

No. 248

H. P. 856

House of Representatives, January 31, 1935.

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

HARVEY R. PEASE, Clerk.

Presented by Mr. Smith of Bangor.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
THIRTY-FIVE

**AN ACT Relating to Leases, Consolidations and Mortgages by Public
Utilities.**

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

R. S., c. 62, § 44, amended. Section 44 of chapter 62 of the revised statutes hereby is amended to read as follows :

'Sec. 44. Public utilities not to sell, lease, or mortgage without authority of commission, nor acquire stock of other public utilities. Any public utility may henceforth sell, lease, assign, mortgage, or otherwise dispose of, or encumber the whole or any part of its property necessary or useful in the performance of its duties to the public, or any franchise or permit, or any right thereunder, or by any means whatsoever, direct or indirect, merge or consolidate its property, franchises, or permits, or any part thereof, with any other public utility, when, and not otherwise, it shall have first secured from the commission an order authorizing it so to do. Every such sale, lease, assignment, mortgage, disposition, encumbrance, merger, or consolidation made other than in accordance with the order of the commission authorizing the same shall be void. The sale, lease, assignment, mortgage, or other disposition or encumbrance of a franchise or permit under this section shall not be construed to revive or validate any lapsed or invalid franchise or permit or to enlarge or add to the powers or priv-

ileges contained in the grant of any franchise or permit or to waive any forfeiture. Nothing in this section contained shall be construed to prevent the sale, lease, or other disposition by any public utility of property which is not necessary or useful in the performance of its duties to the public, and any sale of its property by such public utility shall be conclusively presumed to have been of property which is not necessary or useful in the performance of its duties to the public, as to any purchaser of such property in good faith for value. Nothing in this section shall apply to property, franchises, permits, or rights of any utility owned and operated exclusively outside this state. No public utility shall hereafter purchase or acquire, take, or hold any part of the capital stock of any other public utility organized or existing under or by virtue of the laws of this state without having been first authorized to do so by the commission. Every assignment, transfer, contract, or agreement for assignment or transfer of any stock by or through any person or corporation to any corporation or otherwise in violation of any of the provisions of this section shall be void and of no effect; and no such transfer shall be made on the books of any public utility. Nothing herein contained shall be construed to prevent the holding of stock heretofore lawfully acquired or to prevent the acquiring of additional stock by a public utility which now owns a majority of the stock of such other utility. **No railroad corporation engaged in interstate commerce shall be required to make application to the commission, or to procure consent, approval, authority or an order from the commission, as a condition precedent to executing an assignment or mortgage of any of its property, or encumbering the same, when such mortgage, assignment or encumbrance is executed, or is to be executed, in connection with an issue of securities in respect of which the corporation is required by federal law to make application to and procure authority from the interstate commerce commission as a condition precedent to the issue of such securities.'**