

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)

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

Legislative Document

No. 278

S. P. 227

In Senate, February 2, 1939.

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

ROYDEN V. BROWN, Secretary.

Presented by Senator Tompkins of Aroostook.

S T A T E O F M A I N E

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
THIRTY-NINE

AN ACT Authorizing the Issue of Full Paid Stock by Public Utility Companies at Less Than Par and Without Subscription Rights When Authorized by the Public Utilities Commission.

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

R. S., c. 62, § 41, amended. The 1st paragraph of section 41 of chapter 62 of the revised statutes as amended by chapter 120 of the public laws of 1931 and chapter 41 of the public laws of 1937 is hereby further amended to read as follows:

‘Any public utility now organized and existing or hereafter incorporated under and by virtue of the laws of the state of Maine and doing business in the state may issue stocks, bonds which may be secured by mortgages on its property, franchises, or otherwise, notes or other evidences of indebtedness, payable at periods of more than 12 months after the date thereof, when necessary for the acquisition of property to be used for the purpose of carrying out its corporate powers, the construction, completion, extension, or improvement of its facilities or for the improvement or maintenance of its service, or for the discharge or lawful refunding of its obligations, including capital stock, or to reimburse its treasury for moneys used for the acquisition of property, the construction, completion, extension, or improvement of its facilities, or for the discharge or lawful re-

funding of its obligations, and which actually were expended from income or from other moneys in the treasury of the corporation not secured by, or obtained from the issue of stocks, bonds, notes, or other evidences of indebtedness of such corporation, or for any other lawful purposes; provided and not otherwise, that upon written application, setting forth such information as the commission may require, there shall have been secured from the commission an order authorizing such issue and the amount thereof and stating that in the opinion of the commission the sum of the capital to be secured by the issue of said stocks, bonds, notes, or other evidences of indebtedness is required in good faith for purposes enumerated in this section; **and every such order, authorizing the issue of stock of any class, whether additional stock of the same class as any stock then outstanding or of a new class, shall specify a minimum price at which the shares so authorized are to be sold and whether or not the shares shall or may be first offered to existing stockholders and any and all shares of stock, issued in accordance with the provisions of such an order, shall be full paid stock and not liable to any further call or payment thereon, notwithstanding it may have been authorized for sale at less than its par value and shall be legally outstanding, notwithstanding it may have been issued without giving to existing stockholders the right to subscribe to a proportional part thereof,** but the provisions of this chapter shall not apply to any stocks or bonds or other evidences of indebtedness heretofore lawfully authorized and issued; provided, however, that the commission may at the request of any public utility approve the issue of any stocks or bonds heretofore authorized but not issued. For the purpose of enabling the commission to determine whether it shall issue such an order, the commission shall make such inquiries for investigation, hold such hearings and examine such witnesses, books, papers, documents, or contracts as it may deem of importance in enabling it to reach a determination. No order of the commission authorizing the issue of any stocks, bonds, notes, or other evidences of indebtedness shall limit or restrict the powers of the commission in determining and fixing any rate, fare, toll, charge, classification, schedule, or joint rate as provided in this chapter; provided, however, that no public utility shall be required to apply to the commission for authority to issue stocks, bonds, notes, or other evidences of indebtedness for the acquisition of property, for the purposes of carrying out its corporate powers, the construction, completion, extension, or improvement of its facilities, or the improvement or maintenance of its service outside the state, and this proviso shall apply also to the following section.'