

# MAINE STATE LEGISLATURE

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**Legislative Document**

**No. 950**

H. P. 846

House of Representatives, February 18, 1953

Referred to the Committee on Public Utilities, sent up for concurrence and ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Bibber of Kennebunkport

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**STATE OF MAINE**

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
FIFTY-THREE

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**AN ACT Relating to the Kennebunk Light and Power District.**

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

**Sec. 1. P. & S. L., 1951, c. 53, § 17, amended.** Section 17 of chapter 53 of the private and special laws of 1951 is hereby amended to read as follows:

**Sec. 17. Bonds and notes.** For accomplishing the ~~purpose~~ **purposes** of this act, said district, through its trustees, is authorized **from time to time** to borrow money temporarily and to issue therefor the interest bearing negotiable notes of the district, not to exceed \$300,000 **at any one time** outstanding. **Each issue of temporary notes may be for a period of not more than 1 year, and notes issued under this section may be renewed from time to time by the issue of other temporary notes maturing in not more than 1 year from their date provided that the period from the date of issue of the original loan to the date of maturity of the renewal loan shall not be more than 2 years. Temporary notes issued under this section may bear interest or be sold at a discount.** For the purpose of refunding the indebtedness so created, of paying any necessary expenses and liabilities incurred under the provisions of this act, including the expenses incurred in the creation of the district, and in acquiring those properties and franchises

of the town of Kennebunk, hitherto known as the Kennebunk Light Department; of taking water and land, paying damages, erecting, constructing, maintaining and operating power plants, dams, reservoirs, buildings, transmission lines and poles, and all other things or apparatus incidental or necessary to the purposes of this act, and making renewals, extensions, additions and improvements to the same, the said district, through its trustees, may from time to time issue bonds of the district to an amount or amounts necessary, in the judgment of the trustees therefor, but in no event shall the amount or amounts of said bonds exceed \$300,000 at any one time outstanding. **Bonds or notes of the district, whether or not due and payable, for the payment of which adequate funds have been deposited in trust with the paying agent shall not be considered to be outstanding under this section.** Said notes and bonds shall be legal obligations of said district, which is hereby declared to be a quasi-municipal corporation within the meaning of section 132 of chapter 49 of the revised statutes of 1944, and all the provisions of said section shall be applicable thereto. The said notes and bonds shall be legal investments for savings banks and exempt from taxation. **Bonds shall not be sold for less than par unless specific approval therefor shall be given by the public utilities commission. Except as otherwise provided in this act, the trustees may determine the form of the notes or bonds, their terms, the manner in which they shall be issued and sold and all other matters relating thereto. Bonds may be issued to mature serially or after a term of years, provided that no bond shall mature later than 25 years after its date. Serial bonds shall be made payable in annual installments which shall be so arranged that the amount of the annual payment of principal and interest in any year on account of said bonds shall not be less than the amount of principal and interest payable in any subsequent year, by more than two per cent of the principal of the entire debt and the total amount of such payments shall be sufficient to extinguish the entire debt on account of which they are made at maturity. The first such annual installment shall be paid not later than 2 years and the last such installment not later than 25 years after the date thereof. The public utilities commission shall determine or approve the rate of interest to be paid by the district on its bonds or said commission may determine a maximum rate of interest which may be paid on any issue of bonds, in which event, said bonds shall not bear a rate of interest in excess of said maximum rate so determined.'**

**Sec. 2. P. & S. L., 1951, c. 53, § 18, sub-§ III, amended.** Subsection III of section 18 of chapter 53 of the private and special laws of 1951 is hereby amended to read as follows:

**‘III.** To provide each year a sum equal to **the amount of maturing principal of any serial bonds payable in such year and to provide each year a sum equal to** not less than 1% nor more than 5% of the entire indebtedness **other than serial bonds and temporary notes** created or assumed by the district, which sum shall be turned into a sinking fund and there kept to provide for the extinguishment of such other indebtedness. The money set aside for the sinking fund shall be devoted to the retirement of the obligations of the district **other than serial bonds** or invested in obligations of the United States government, which said obligations shall mature prior to the date upon which the bonds of the district, for the retirement of which said funds are invested, shall become due.’

**Sec. 3. Transfer of properties validated.** The transfer to the Kennebunk Light and Power District by the inhabitants of the town of Kennebunk of all properties and assets of the “Kennebunk Light Department,” so called, pursuant to vote of the town adopted at town meeting held November 19, 1951, is hereby validated.