

Public Service Companies, Contracts of. Contracts, of Public Service Companies. Effect of Public Service Law Upon Existing Contracts.

The public service law, Chapter 52, Laws of 1913, is applicable only to contracts which were actually in existence at the time of the passage and approval of the act.

February 9th, 1914.

Honorable Railroad and Public Service Commission,
Helena, Montana.

Gentlemen:

I am in receipt of your favor of the 2nd instant, requesting my opinion on that portion of Sec. 12 of Chap. 52 of the Session Laws of the Thirteenth Legislative Assembly, reading in part as follows:

"This act does not have the effect of suspending, rescinding, invalidating or in any way affecting the existing contracts."

Your inquiry asks the question as to whether that provision of the act applies only to contracts in effect at the time the law was enacted, or would it be construed as restraining the commission from in any way interfering with a contract existing at a later date, which was to all intents and purposes the renewal of a former contract?

I am of the opinion that the language above quoted is only applicable to contracts which were actually in existence at the time of the passage and approval of the act, and that it could not be applied to contracts coming into existence after that act became a law, even though they were in a sense a renewal of the former contract. Though the later contract may be in the exact terms of the former, it is nevertheless a new contract in contemplation of the law, and must be viewed in the light of the law as it exists at the time it is entered into.

Yours very truly,

D. M. KELLY,
Attorney General.