

MAINE STATE LEGISLATURE

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(Governor's Bill)
(EMERGENCY)

ONE HUNDRED AND EIGHTH LEGISLATURE

Legislative Document

No. 1782

S. P. 498

In Senate, May 13, 1977

Referred to Committee on State Government. Sent down for concurrence and ordered printed.

MAY M. ROSS, Secretary

Presented by Senator Collin of Aroostook.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-SEVEN

AN ACT Relating to the Powers of the Maine Seed Potato Board.

Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the Seed Potato Board is due to repay in 1977 a loan of \$50,000 to the State of Maine; and

Whereas, the Seed Potato Board needs \$75,000 for capital improvements to their disinfectant facilities; and

Whereas, the Seed Potato Board finds itself without sufficient revenues to meet these needs due to declining seed sales caused by the unforeseen severe winter in Florida and the partial infestation of the Maine seed potato crop; and

Whereas, the Seed Potato Board has substantial assets in the form of buildings and land that it could mortgage; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

7 MRSA § 2154, first ¶, as last amended by PL 1975, c. 283, is further amended by inserting at the end the following new sentence:

With respect to farm real estate and farm equipment as described in this paragraph, the board shall have authority to encumber, mortgage, pledge, lease, exchange or otherwise dispose of all or any part of such property and to make contracts and incur liabilities, borrow money on such terms and conditions as it may determine, issue its notes and bonds and other obligations and secure any of its obligations by mortgage, pledge or other encumbrance of all or any part of its property and income.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

STATEMENT OF FACT

There is presently no provision in the statutes which would allow the Seed Potato Board to borrow funds from sources other than the State. The board is presently facing repayment of a \$50,000 loan to the State. In addition, the board would like to undertake capital improvements to their disinfectant facilities at their farm in Masardis.

These financial needs coincide with the decline in available revenues from seed sales. The seed sales have been affected adversely by the severe winter in Florida and by the partial infestation of the board's seed potato crop in Maine. Therefore, in order to meet these financial needs, the board would like to turn to outside financing. There are sufficient assets in the way of buildings and land which the board could use as collateral in seeking private outside financing.

The purpose of this Act is to allow the Seed Potato Board to approach and negotiate with private sources in order to borrow funds to repay the State and to undertake capital improvements.