

MAINE STATE LEGISLATURE

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1 (New Draft of H.P. 1206, L.D. 1605)
2 (New Title)

3 FIRST REGULAR SESSION
4

5 ONE HUNDRED AND ELEVENTH LEGISLATURE
6

7 Legislative Document

No. 1723

9 H.P. 1298

House of Representatives, June 3, 1983

10 Reported by Representative McCollister from the Committee on
11 Agriculture and printed under Joint Rule 2.

12 Original bill presented by Representative Lisnik of Presque Isle.
Cosponsored by Representative MacBride of Presque Isle and Representative
Crouse of Washburn.

EDWIN H. PERT, Clerk

14 STATE OF MAINE
15

16 IN THE YEAR OF OUR LORD
17 NINETEEN HUNDRED AND EIGHTY-THREE
18

19 AN ACT to Amend the Maine Potato Dealer
20 Licensing Law.
21

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

24 Sec. 1. 7 MRSA §1015, 4th ¶, as amended by PL
25 1979, c. 672, Pt. A, §24, is further amended to
26 read:

27 In order to insure the licensee's financial
28 responsibility and to protect potato producers, the
29 commissioner shall require the licensee to file a
30 bond in a form and amount satisfactory to the commis-
31 sioner, but in no event not less than \$10,000 \$35,000
32 nor more than \$100,000 \$200,000 in the case of dealers
33 and brokers, or not less than \$50,000 nor more
34 than \$300,000 in the case of processors, payable to

1 the commissioner in his official capacity and condi-
2 tioned on the full and prompt payment for all pota-
3 toes received or purchased from producers or other
4 licensees during the effective period of the license.
5 In the case of processors, the amount of bond re-
6 quired shall be based on the licensee's anticipated
7 monthly volume of purchases, but may be adjusted to
8 reflect other federal escrow accounts or bond re-
9 quirements met by the licensee which satisfy the pur-
10 poses of this section.

11 Sec. 2. 7 MRSA §1022, sub-§1, as enacted by PL
12 1971, c. 366, is amended to read:

13 1. Broker and dealer records. Every person re-
14 quired dealer and broker to be licensed under this
15 Article, upon having negotiated a sale of potatoes
16 for others or upon having purchased potatoes from the
17 producer, shall cause a record of such that trans-
18 action to be made, and deliver promptly to the seller
19 a copy thereof, setting forth the following with refer-
20 ence to the handling, sale and storage of such
21 those potatoes;

22 A. Date of sale;

23 B. Name and address of producer;

24 C. Name and address of seller;

25 D. Name and address of buyer;

26 E. Name and address of broker, if any;

27 F. Name and address of handler, if any;

28 G. Name and address of any person designated as
29 a secured party on a financing statement naming
30 the seller as debtor filed in accordance with
31 Title 11, section 9-401, covering the potatoes,
32 if any;

33 H. Mode of transportation of shipment, if known;
34 if unknown, such information shall be provided
35 the seller prior to shipment;

- 1 I. Name of carrier, if known; if unknown, such
2 information shall be provided the seller prior to
3 shipment;
- 4 J. If there is a broker or a retailer involved
5 in a transaction, point of final destination;
- 6 K. Date of shipment;
- 7 L. If there is a broker or a retailer involved
8 in the transaction, contemplated date of arrival
9 at final destination;
- 10 M. Grade, size, weight and amount and other
11 specifications;
- 12 N. Price for the potatoes, per unit and total;
- 13 O. Any deductions to be made from the proceeds
14 for expenses to be borne by the seller or
15 handler;
- 16 P. All other essential details of the purchase
17 or sale; and
- 18 Q. If there is a broker involved in the trans-
19 action, an itemized accounting which separately
20 sets forth all charges in connection with the
21 sale, including the brokerage fee, if any.

22 Sec. 3. 7 MRSA §1022, sub-§1-A is enacted to
23 read:

24 1-A. Processor records. Every processor li-
25 censed under this Article, upon having purchased
26 potatoes from the producer, shall cause a record of
27 the transaction to be made, and deliver promptly to
28 the seller a copy thereof setting forth the following
29 with reference to the handling, sale and storage of
30 those potatoes:

- 31 A. Date of sale;
- 32 B. Name and address of producer;
- 33 C. Name and address of buyer; and

1 D. Grade, size, weight and amount and other
2 specifications.

3 In addition, the processor shall, for each trans-
4 action, specify the price for the potatoes, per unit
5 and total, and deliver that information to the pro-
6 ducer within 10 business days of delivery and accep-
7 tance of the potatoes.

8 **Sec. 4. Review.** The Department of Agriculture,
9 Food and Rural Resources shall work with the Maine
10 Potato Council and other industry representatives
11 affected by the Revised Statutes, Title 7, chapter
12 103, subchapter X, Article 3, to review the appropri-
13 ateness of the current licensing statute. This
14 review shall include, but shall not be limited to,
15 the need for clarification of current licensee defi-
16 nitions and record of transaction requirements and
17 the need for additional licensing classifications and
18 requirements. The department shall report the
19 results of this review not later than January 1,
20 1984, to the Joint Standing Committee on Agriculture.

21 STATEMENT OF FACT

22 This new draft increases bonding requirements for
23 licensed potato dealers, brokers and processors from
24 the current \$10,000 to \$100,000 range to \$35,000 to
25 \$200,000 for dealers and brokers, and \$50,000 to
26 \$300,000 for processors. These increases will permit
27 bond requirements to be set to more nearly match the
28 licensee's financial exposure to potato producers.

29 The new draft also establishes separate require-
30 ments for processors with regard to transaction
31 records required for processors so that the statute
32 will reflect current industry practices.

33 Finally, this new draft requires the Department
34 of Agriculture, Food and Rural Resources to work with
35 the potato industry to review the current licensing
36 law and report back to the Legislature by January 1,
37 1984.

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