

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND THIRTEENTH LEGISLATURE

Legislative Document

NO. 1089

H.P. 815 House of Representatives, April 2, 1987.
Reference to the Committee on Agriculture suggested and
ordered printed.

EDWIN H. PERT, Clerk
Presented by Representative MAHANY of Easton.
Cosponsored by Representatives LISNIK of Presque Isle,
PINES of Limestone and Senator THERIAULT of Aroostook.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND EIGHTY-SEVEN

AN ACT to Amend the Potato Marketing
Improvement Fund Law.

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

6 **Sec. 1. 7 MRSA §972, as amended by PL 1985, c.**
7 **779, §35, is further amended to read:**

8 §972. Potato Marketing Improvement Committee

9 ~~The commissioner shall appoint~~ There is
10 established an advisory committee, as authorized by
11 Title 5, section 12004, subsection 9, of 8 members to
12 be known as the Potato Marketing Improvement Commit-
13 tee. The Potato Marketing Improvement Committee shall
14 advise the commissioner on the development and imple-
15 mentation of improved potato marketing systems, in-

1 cluding the modernization, construction and operation
2 of storage and central packing facilities. The Potato
3 Marketing Improvement Committee shall also advise the
4 commissioner concerning the funding and expenditures
5 of the Potato Marketing Improvement Fund created pur-
6 suant to section 973. The ~~Potato-Marketing-Improve-~~
7 ~~ment-Committee~~ commissioner shall include appoint one
8 member representing the University of Maine System,
9 ~~one member--representing the Maine Potato Council, one~~
10 ~~member--representing the Maine Potato Commission, one~~
11 ~~member--representing the Maine Potato Sales Association,~~
12 ~~one member representing the Farmers Home Admin-~~
13 ~~istration, one member representing the Farm Credit~~
14 ~~Service System, one member representing the State De-~~
15 ~~velopment Office and one member representing the pub-~~
16 ~~lic. Each executive council established pursuant to~~
17 ~~Title 36, section 4603, subsection 3, shall appoint~~
18 ~~one person to serve as a member of the committee.~~
19 The commissioner and the executive councils shall ap-
20 point as members persons with education, training or
21 experience relevant to the development and implemen-
22 tation of improved potato marketing systems, includ-
23 ing the modernization, construction and operation of
24 storage and central packing facilities and with an
25 understanding of the importance of those facilities
26 for potato quality and marketing. Where the commis-
27 sioner finds it appropriate, the members representing
28 the Farmers Home Administration and the Farm Credit
29 Service System may serve as a loan review committee
30 and advise him, on a confidential basis, on applica-
31 tions for funding.

32 **Sec. 2. 7 MRSA §973, as enacted by PL 1981, c.**
33 **513, §7, is amended to read:**

34 §973. Potato Marketing Improvement Fund

35 There is created a fund to be known as the Potato
36 Marketing Improvement Fund, to which shall be cred-
37 ited all funds received by the commissioner from any
38 source for the development and implementation of an
39 improved storage, packing and marketing program. Any
40 money credited to the Potato Marketing Improvement
41 Fund from the issuance of bonds on behalf of the
42 State for agricultural development shall be used only
43 for the purposes of state loans as prescribed by sec-
44 tion ~~974~~ 974-A, to provide assistance to farmers on

1 technical aspects of the design and construction of
2 storage, packing and marketing facilities and to pay
3 the administrative costs of processing loan applica-
4 tions, to the extent that the costs exceed the fee
5 for administrative costs established by section
6 974-A, subsection 2. Repayment of these loans and in-
7 terest thereon shall be credited to the Potato Mar-
8 keting Improvement Fund to be available for making
9 additional state loans for the same purposes.

10 **Sec. 3. 7 MRSA §974, as enacted by PL 1981, c.**
11 **513, §7, is repealed.**

12 **Sec. 4. 7 MRSA §974-A is enacted to read:**

13 §974-A. State loans

14 1. State loans. State loans are subject to the
15 following conditions.

16 A. No state loan for any project under this ar-
17 article, the total cost of which exceeds \$50,000,
18 may exceed 45% of the project cost and no state
19 loan may be provided for such a project unless
20 the applicant demonstrates a commitment of pri-
21 vate funds of 10% of the total cost of the
22 project, except that, in order to encourage the
23 undertaking of cooperative projects by 2 or more
24 farmers, no state loan for such a project may ex-
25 ceed 50% of the total cost of the project and no
26 state loan may be provided unless the cooperating
27 farmers as a group demonstrate a commitment of
28 private funds of 5% of the total cost of the
29 project.

30 B. No state loan for any project under this ar-
31 article the total cost of which is \$50,000 or less,
32 may exceed 55% of the total cost of the project.

33 C. State loans shall be at the interest rate es-
34 tablished pursuant to subsection 2.

35 D. Other terms and conditions prescribed by rule
36 by the commissioner upon consultation with the
37 Potato Marketing Improvement Committee.

1 ment in a new storage facility, cooperative projects
2 costing more than \$50,000 are encouraged because the
3 bill raises the fund participation limit in such
4 projects to 50% while lowering the farmers' own in-
5 vestment requirement to 5%. Second, in order to en-
6 courage retrofits of existing facilities, which are
7 generally less expensive projects, i.e., under
8 \$50,000, the fund participation limit is raised to
9 55% and no investment of farmer funds is required.
10 In addition, this bill makes it clear that no admin-
11 istrative charge is to be assessed for these smaller
12 projects.

13 This bill makes other, more technical changes.
14 Explicit authority is given to use fund money to pro-
15 vide technical assistance to farmers in the design
16 and construction of projects and to pay the adminis-
17 trative costs of loan processing to the extent that
18 such costs are not covered by the administrative fee
19 charged to larger loans. The bill makes clear that,
20 where the interest rate changes between the date of a
21 loan commitment and the date of its closing, the low-
22 er rate is to be charged. Finally, the makeup of the
23 advisory Potato Marketing Improvement Committee is
24 changed to reflect the establishment by the 112th
25 Legislature of the Maine Potato Board and its assem-
26 blies as the single representative organization of
27 the potato industry.

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