

MAINE STATE LEGISLATURE

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L.D. 2211

(Filing No. H- 639)

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
113TH LEGISLATURE
SECOND REGULAR SESSION

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COMMITTEE AMENDMENT "A" to H.P. 1618, L.D. 2211,
Bill, "AN ACT to Improve the Potato Marketing
Improvement Fund."

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Amend the bill by striking out everything after
the enacting clause and inserting in its place the
following:

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'Sec. 1. 7 MRSA §973, as amended by PL 1987, c.
319, §2, is further amended to read:

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§973. Potato Marketing Improvement Fund

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There is created a fund to be known as the Potato
Marketing Improvement Fund, to which shall be credited
all funds received by the commissioner from any source
for the development and implementation of an improved
storage, packing and marketing program. Any money
credited to the Potato Marketing Improvement Fund from
the issuance of bonds on behalf of the State for
agricultural development shall be used only for the
purposes of state loans as prescribed by section
974-A, to provide assistance to farmers on technical
aspects of the design and construction for the
design, construction, improvement, support and
operation of storage, packing and marketing facilities
and to pay the administrative costs of processing loan
applications, to the extent that the costs exceed the
fee for administrative costs

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1 established by section 974-A, subsection 2. Repayment
2 of these loans and interest thereon shall be credited
3 to the Potato Marketing Improvement Fund to be
4 available for making additional state loans for the
5 same purposes.

6 A purchaser of a modern storage facility which was
7 previously financed with a state loan from the Potato
8 Marketing Improvement Fund may receive a loan under
9 the conditions of this section. Mortgages obtained
10 from the fund may be assumed by subsequent purchasers
11 of the property. The department shall promulgate
12 rules concerning the purchase of existing buildings.
13 These rules shall include provisions that ensure that
14 such purchases are in keeping with the purposes and
15 intent of this article and of Private and Special Law
16 1981, chapters 65 and 75. They shall also include a
17 definition of a modern storage facility.

18 **Sec. 2. 7 MRSA §974-A, sub-§2, as enacted by PL**
19 **1987, c. 319, §4, is repealed and the following**
20 **enacted in its place:**

21 2. State loan interest rate. The interest rate
22 for state loans shall be 5%. Loans current at the
23 effective date of this subsection shall be
24 renegotiated to an interest rate of 5%.

25 A fee for administrative costs, which shall be at a
26 rate set by rule by the commissioner upon consultation
27 with the Potato Marketing Improvement Committee, but
28 which rate shall not exceed 1% of the loan, shall be
29 charged on all loans made for projects, the total cost
30 of which exceeds \$50,000. This fee shall be deposited
31 in the fund.

32 **Sec. 3. 7 MRSA §975 is enacted to read:**

33 §975. Aroostook County office

34 The department shall maintain or arrange for the
35 maintenance of an office in Aroostook County located
36 in a town most convenient to the largest number of
37 potential users of the Potato Marketing Improvement
38 Fund and sufficiently close to any local office of the
39 Maine Potato Board as to foster a close working

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1 relationship and provide a convenience to farmers who
2 wish to visit both agencies. This office shall be
3 staffed by a business development specialist whose
4 responsibilities shall be as defined by the
5 department. The business development specialist shall
6 be available in the Aroostook County office on a
7 regular basis.

8 Should the performance of the functions of the
9 business development specialist be contracted for,
10 this contract shall be made by the agency managing the
11 fund and shall be awarded through competitive bidding.'

12 STATEMENT OF FACT

13 This amendment eliminates the section which would
14 have added farmers to the fund's loan review
15 committee. It clarifies the intention of the Act to
16 allow the use of the Potato Marketing Improvement Fund
17 for the design, construction and operation of storage,
18 packing and marketing facilities. It also clarifies
19 that Potato Marketing Improvement Fund mortgages are
20 assumable. Lastly, it requires department rules for
21 the purchase of existing structures, particularly
22 rules that will ensure that such purchases are
23 consistent with the purpose of the original
24 legislation which created the fund and its financing.

25 This amendment sets the interest rate for all
26 loans, including current loans, at 5%.

27 The amendment strengthens the section regarding
28 the requirement for an office in Aroostook County to
29 service the fund. It requires that, if staffing of
30 the office is contracted for, the contract be made by
31 the managing agency, which is currently the Finance
32 Authority of Maine.

33 Finally, the amendment removes the appropriation
34 from the bill. The Aroostook County office is to be
35 funded from money currently allocated from the Potato
36 Marketing Improvement Fund.