

# MAINE STATE LEGISLATURE

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SECOND REGULAR SESSION

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ONE HUNDRED AND THIRTEENTH LEGISLATURE

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Legislative Document

NO. 2211

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H.P. 1618                      House of Representatives, February 9, 1988  
Approved for introduction by a majority of the  
Legislative Council pursuant to Joint Rule 26.  
Reference to the Committee on Agriculture suggested and  
ordered printed.

EDWIN H. PERT, Clerk

Presented by Representative MAHANY of Easton.

Cosponsored by Representatives TARDY of Palmyra, PARADIS  
of Frenchville and Senator THERIAULT of Aroostook.

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STATE OF MAINE

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

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**AN ACT to Improve the Potato Marketing  
Improvement Fund.**

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

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**Sec. 1.    7    MRSA §972, as amended by PL 1987, c.  
319, §1 and c. 534, Pt. B, §2, is repealed and the  
following enacted in its place:**

9

§972.    Potato Marketing Improvement Committee

1        There is established an advisory committee, as  
2 authorized by Title 5, section 12004, subsection 9, of  
3 10 members to be known as the Potato Marketing  
4 Improvement Committee. The Potato Marketing  
5 Improvement Committee shall advise the commissioner on  
6 the development and implementation of improved potato  
7 marketing systems, including the modernization,  
8 construction and operation of storage and central  
9 packing facilities. The Potato Marketing Improvement  
10 Committee shall also advise the commissioner  
11 concerning the funding and expenditures of the Potato  
12 Marketing Improvement Fund created pursuant to section  
13 973. The commissioner shall appoint one member  
14 representing the University of Maine System, one  
15 member representing the Farmers Home Administration,  
16 one member representing the Farm Credit System, one  
17 member representing the Department of Economic and  
18 Community Development and one member representing the  
19 public. Each executive council established pursuant  
20 to Title 36, section 4603, subsection 3, shall appoint  
21 one person to serve as a member of the committee. The  
22 commissioner and the executive councils shall appoint  
23 as members persons with education, training or  
24 experience relevant to the development and  
25 implementation of improved potato marketing systems,  
26 including the modernization, construction and  
27 operation of storage and central packing facilities  
28 and with an understanding of the importance of those  
29 facilities for potato quality and marketing. Where  
30 the commissioner finds it appropriate, the members  
31 representing the Farmers Home Administration, the Farm  
32 Credit System, the seed grower's executive council,  
33 the tablestock grower's executive council and the  
34 processing grower's executive council, may serve as a  
35 loan review committee and advise the commissioner, on  
36 a confidential basis, on applications for funding.

37        **Sec. 2. 7 MRSA §973, as amended by PL 1987, c.**  
38        **319, §2, is further amended to read:**

39        §973. Potato Marketing Improvement Fund

40        There is created a fund to be known as the Potato

1 Marketing Improvement Fund, to which shall be credited  
2 all funds received by the commissioner from any source  
3 for the development and implementation of an improved  
4 storage, packing and marketing program. Any money  
5 credited to the Potato Marketing Improvement Fund from  
6 the issuance of bonds on behalf of the State for  
7 agricultural development shall be used only for the  
8 purposes of state loans as prescribed by section  
9 974-A, to provide assistance to farmers on technical  
10 aspects of the design and construction of storage,  
11 packing and marketing facilities and to pay the  
12 administrative costs of processing loan applications,  
13 to the extent that the costs exceed the fee for  
14 administrative costs established by section 974-A,  
15 subsection 2. Repayment of these loans and interest  
16 thereon shall be credited to the Potato Marketing  
17 Improvement Fund to be available for making additional  
18 state loans for the same purposes. A purchaser of a  
19 facility which was previously financed with a state  
20 loan from the Potato Marketing Improvement Fund may  
21 receive a loan under the conditions of this section.

22       **Sec. 3. 7 MRSA §974-A, sub-§2, as enacted by PL**  
23 **1987, c. 319, §4, is amended to read:**

24       2. State loan interest rate. The interest rate  
25 for state loans shall be 2% lower than the interest  
26 rate for the issue of state general obligation bonds  
27 which immediately precede either the date of the loan  
28 commitment or the date of the loan closing, whichever  
29 is lower.

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

37       **Sec. 4. 7 MRSA §975 is enacted to read:**

38 §975. Department of Agriculture, Food and Rural  
39 Resources; satellite office

1 The Department of Agriculture, Food and Rural  
2 Resources shall maintain an office in Aroostook County  
3 with a staff person who shall provide information and  
4 encourage use of the Potato Marketing Improvement Fund.

5 Sec. 5. Appropriation. The following funds are  
6 appropriated from the General Fund to carry out the  
7 purposes of this Act.

8 1988-89

9 AGRICULTURE, FOOD AND RURAL RESOURCES,  
10 DEPARTMENT OF

11	Positions	(1)
12	Personal Services	\$10,000
13	These funds will be	
14	used to maintain an	
15	office with one staff	
16	person, who will	
17	encourage use of and	
18	provide information	
19	on the Potato	
20	Marketing Improvement	
21	Fund.	

22 STATEMENT OF FACT

23 By following a prescribed course, this bill will  
24 expand and enhance the loan review subcommittee of the  
25 Potato Marketing Improvement Committee, set the  
26 interest rate for state loans at 2% below the rate for  
27 general obligation bonds of the State, clarify  
28 eligibility for a loan through the Potato Marketing  
29 Improvement Fund and facilitate use of the funds by  
30 requiring the Department of Agriculture, Food and  
31 Rural Resources to maintain an office for use in  
32 providing information and encouragement concerning the  
33 Potato Marketing Improvement Fund.

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