

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1991

Legislative Document

No. 1519

H.P. 1046

House of Representatives, April 16, 1991

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

A handwritten signature in cursive script that reads "Ed Pert".

EDWIN H. PERT, Clerk

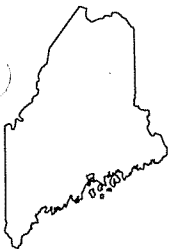
Presented by Representative MAHANY of Easton.

Cosponsored by Senator PEARSON of Penobscot and Representative PARADIS of Frenchville.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-ONE

An Act Authorizing a Bond Issue in the Amount of \$2,000,000 for the Purpose of Fostering Agricultural Development in the State.



2 Preamble. Two thirds of both Houses of the Legislature
deeming it necessary in accordance with the Constitution of
4 Maine, Article IX, Section 14, to authorize the issuance of bonds
on behalf of the State of Maine to provide funds for the purpose
6 of fostering agricultural development.

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

10 Sec. 1. Authorization of bonds to provide for fostering agricultural
development. The Treasurer of State is authorized, under the
12 direction of the Governor, to issue bonds in the name and behalf
of the State in an amount not exceeding \$2,000,000 to raise funds
14 for the fostering of agricultural development as authorized by
section 6. The bonds are a pledge of the full faith and credit
16 of the State. The bonds may not run for a period longer than 20
years from the date of the original issue of the bonds. At the
18 discretion of the Treasurer of State, with the approval of the
Governor, any issuance of bonds may contain a call feature.

20 Sec. 2. Records of bonds issued to be kept by the State Auditor and
Treasurer of State. The State Auditor shall keep an account of the
22 bonds, showing the number and amount of each, the date when
payable and the date of delivery of the bonds to the Treasurer of
24 State. The Treasurer of State shall keep an account of each bond
showing the number of the bond, the name of the successful bidder
26 to whom sold, the amount received for the bond, the date of sale
and the date when payable.

28 Sec. 3. Sale; how negotiated; proceeds appropriated. The
30 Treasurer of State may negotiate the sale of the bonds by
direction of the Governor, but no bond may be loaned, pledged or
32 hypothecated on behalf of the State. The proceeds of the sale of
the bonds, which must be held by the Treasurer of State and paid
34 by the Treasurer of State upon warrants drawn by the State
Controller, are appropriated solely for the purposes set forth in
36 this Act. Any unencumbered balances remaining at the completion
of the project in section 6 lapse to the debt service account
38 established for the retirement of these bonds.

40 Sec. 4. Interest and debt retirement. The Treasurer of State
shall pay interest due or accruing on any bonds issued under this
42 Act and all sums coming due for payment of bonds at maturity.

44 Sec. 5. Disbursement of bond proceeds. The proceeds of the
bonds must be expended as set out in section 6 under the
46 direction and supervision of the Department of Agriculture, Food
and Rural Resources.
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2 **Sec. 6. Allocations from General Fund bond issue; fostering**
3 **agricultural development.** The proceeds of the sale of bonds must
4 be expended as follows.

6 **AGRICULTURE, FOOD AND RURAL**
7 **RESOURCES, DEPARTMENT OF**

8 **Agricultural Development Loan Fund** \$2,000,000

10 Provides funds for a revolving loan fund for
11 loans to farmers with insufficient access to
12 conventional credit and to first-time
13 farmers. Eligible borrowers are limited to
14 farmers who demonstrate the inability to
15 secure financing from conventional sources
16 or who are first-time farmers, as determined
17 by the Department of Agriculture, Food and
18 Rural Resources. Loans may be used only for
19 costs incurred in farming, as determined by
20 the department. The department shall
21 establish rules setting forth the terms and
22 conditions of the loans, and the rules may
23 provide for reduced interest rates and
24 repayment deferrals in appropriate
25 circumstances. The rules must provide for
26 interest rates at a range no more than 2
27 points above or below the prime rate at the
28 time the loan is made. The department may
29 contract with the Finance Authority of Maine
30 for assistance in administration of the
31 program.

32 **Sec. 7. Contingent upon ratification of bond issue.** Sections 1 to
33 6 do not become effective unless the people of the State have
34 ratified the issuance of bonds as set forth in this Act.

35 **Sec. 8. Appropriation balances at year end.** At the end of each
36 fiscal year, all unencumbered appropriation balances representing
37 state money carry forward. Bond proceeds that have not been
38 expended within 10 years after the date of the sale of the bonds
39 lapse to General Fund debt service.

40 **Sec. 9. Bonds authorized but not issued.** Any bonds authorized
41 but not issued, or for which bond anticipation notes are not
42 issued within 5 years of ratification of this Act, are
43 deauthorized and may not be issued; except that the Legislature
44 may, within 2 years after the expiration of that 5-year period,
45 extend the period for issuing any remaining unissued bonds or
46 bond anticipation notes for an additional amount of time not to
47 exceed 5 years.
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2 **Sec. 10. Referendum for ratification; submission at statewide**
3 **election; form of question; effective date.** This Act must be submitted
4 to the legal voters of the State of Maine at a statewide election
5 held on the Tuesday following the first Monday of November
6 following passage of this Act. The municipal officers of this
7 State shall notify the inhabitants of their respective cities,
8 towns and plantations to meet, in the manner prescribed by law
9 for holding a statewide election, to vote on the acceptance or
10 rejection of this Act by voting on the following question:

11 "Do you favor a \$2,000,000 bond issue for loans to farmers
12 with insufficient access to conventional credit and to
13 first-time farmers?"

14 The legal voters of each city, town and plantation shall
15 vote by ballot on this question and designate their choice by a
16 cross or check mark placed within a corresponding square below
17 the word "Yes" or "No." The ballots must be received, sorted,
18 counted and declared in open ward, town and plantation meetings
19 and returns made to the Secretary of State in the same manner as
20 votes for members of the Legislature. The Governor shall review
21 the returns and, if a majority of the legal votes are cast in
22 favor of the Act, the Governor shall proclaim the result without
23 delay, and the Act becomes effective 30 days after the date of
24 the proclamation.

25 The Secretary of State shall prepare and furnish to each
26 city, town and plantation all ballots, returns and copies of this
27 Act necessary to carry out the purpose of this referendum.

31 **STATEMENT OF FACT**

32 The funds provided by this bond issue, in the amount of
33 \$2,000,000, will be used to establish a loan fund to provide
34 farmers with access to credit to establish or maintain their
35 farms. Eligibility for loans is limited to first-time farmers
36 and farmers who are unable to access conventional credit
37 available to farmers generally. The availability of the loan
38 fund will help preserve farms and farmland in the State.
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