

# MAINE STATE LEGISLATURE

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# 119th MAINE LEGISLATURE

## SECOND REGULAR SESSION-2000

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Legislative Document

No. 2532

S.P. 982

In Senate, February 8, 2000

**An Act to Implement the Recommendations of the Task Force to Study  
the Need for an Agricultural Vitality Zone Program.**

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Reported by Senator Nutting of Androscoggin from the Joint Standing Committee on Agriculture, Conservation and Forestry pursuant to Resolve 1999, Chapter 81, section 8. Reference to the Committee on Agriculture, Conservation and Forestry and ordered printed pursuant to Joint Rule 218.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN  
Secretary of the Senate

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

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**Sec. 1. 5 MRSA §6203, sub-§3, ¶¶A and B**, as amended by PL 1993, c. 728, §4, are further amended to read:

A. Acquire property or an interest in property that is determined by the board to be of state significance under the guidelines of this chapter; and

B. Fund minor capital improvements on lands acquired by proceeds from the Land for Maine's Future Fund to improve accessibility, as long as these improvements do not exceed 5% of the appraised value of the acquired property; and

**Sec. 2. 5 MRSA §6203, sub-§3, ¶C** is enacted to read:

C. When farmland or interest in farmland is acquired, fund the development of a business plan and capital improvements to provide for the land's continuing use as a working farm, as long as these improvements do not exceed 5% of the appraised value of the acquired property.

**Sec. 3. 7 MRSA §401-B, sub-§6** is enacted to read:

6. Monitoring consumption of Maine-produced food. By October 1, 2000, the commissioner shall develop a method and baseline research to estimate the percentage of food consumed in Maine that is produced within Maine. The commissioner shall update the methodology and estimate every 2 years and include the latest estimate in the biennial report submitted to the Legislature pursuant to section 2, subsection 5.

**Sec. 4. 7 MRSA §434, sub-§2** is enacted to read:

2. Direct marketing. "Direct marketing" means the marketing of agricultural products by farmers directly to consumers.

**Sec. 5. 7 MRSA §435, sub-§2, ¶G** is enacted to read:

G. The commissioner shall make available a minimum of \$1,000,000 from the Agricultural Marketing Loan Fund for the purpose of providing loans to agricultural enterprises that are engaged primarily in direct marketing as defined in section 434, subsection 2. Eligibility criteria for an agricultural marketing loan under this paragraph must allow agricultural enterprises that are engaged primarily in direct marketing to apply for loans for traditional equipment and other capital expenses as provided in Title 10, section 1023-J. Notwithstanding paragraphs A and B, an agricultural loan for a project under this paragraph may not

2           exceed \$50,000. This paragraph is repealed December 31,  
3           2002.

4           **Sec. 6. 7 MRSA §436-A** is enacted to read:

6           **§436-A. Development of business plans**

8           An agricultural enterprise applying for a loan under this  
9           subchapter may receive funding for the development of a business  
10           plan in accordance with this section.

12           **1. Eligibility.** The commissioner may authorize the release  
13           of funds to a loan applicant for the purposes of developing a  
14           business plan when the following conditions are met:

16           A. The project is eligible for a loan under the provisions  
17           of this subchapter and Title 10, section 1023-J;

18           B. The application does not include a business plan for the  
19           project or the business plan is deemed inadequate by the  
20           commissioner; and

22           C. The commissioner determines that the project as  
23           described in the application has merit.

26           **2. Limitations.** The amount of funds released for the  
27           purposes of developing a business plan may not exceed 50% of the  
28           cost of developing a plan. The amount of funds released for the  
29           purposes of developing a business plan may not exceed \$2,000 or  
30           5% of the amount of the requested loan for the project.

32           **3. Final approval of loan.** When an applicant receives  
33           funding for the development of a business plan in accordance with  
34           this section, the applicant shall provide the commissioner with a  
35           copy of the completed business plan no more than 6 months from  
36           the date funding for the plan was received. At that time, the  
37           commissioner shall review the business plan and other application  
38           materials and make a final determination on the application. If  
39           the applicant receives a loan under this subchapter, the amount  
40           of money received from the fund for the business plan becomes  
41           part of the total loan amount and is paid back to the  
42           Agricultural Marketing Loan Fund.

44           **Sec. 7. 10 MRSA §1023-J, first ¶**, as enacted by PL 1995, c. 658,  
45           §2, is amended to read:

46           The Agricultural Marketing Loan Fund, referred to in this  
47           section as the "fund," is created. The fund must be deposited  
48           with and maintained by the Finance Authority of Maine. The fund  
49           must be administered by the Commissioner of Agriculture, Food and  
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2 Rural Resources in accordance with Title 7, chapter 101,  
subchapter I-D. All money received by the Finance Authority of  
4 an improved agricultural marketing loan program must be credited  
to the fund. Any money credited to the fund from the issuance of  
6 bonds on behalf of the State for financing loans for agricultural  
enterprises may be used only for the following purposes: to  
8 provide assistance to agricultural enterprises in this State for  
the design, construction or improvement of commodity and storage  
10 buildings and packing and marketing facilities; ~~or~~ for the  
construction, renovation or acquisition of land, buildings,  
12 equipment, docks, wharves, piers or vessels used in connection  
with a commercial agricultural enterprise; or for the development  
14 of a business plan in accordance with the provisions of Title 7,  
section 436-A. Repayment of these loans and interest on these  
16 loans must be credited to the fund and must be available for  
making additional loans for the same purposes, except that  
18 interest may be used for the purposes stated in Title 7, section  
436. Interest earned on money in the fund and interest earned on  
20 loans made from the fund may be used to pay the administrative  
costs of processing loan applications, to the extent that these  
22 costs exceed the fee for administrative costs established by  
Title 7, section 435, subsection 4.

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26 **Sec. 8. Commissioner of Agriculture, Food and Rural Resources to  
convene working group on in-state purchasing of food produced in Maine.**  
The Commissioner of Agriculture, Food and Rural Resources shall  
28 convene a working group to assess food consumption in Maine and  
ways to increase the sale of locally produced food within Maine.

30  
32 1. The Commissioner of Agriculture, Food and Rural  
Resources shall invite participation by the following:

34 A. The Bureau of Purchases within the Department of  
Administrative and Financial Affairs, the so-called "Support  
36 Systems Team" within the Department of Education and the  
State Planning Office;

38  
40 B. Two or more Maine agricultural producers; and

42 C. Individuals and representatives of agencies,  
agricultural organizations and food purchasers as needed to  
44 fulfill the duties of the working group.

46 2. The Commissioner of Agriculture, Food and Rural  
Resources or the commissioner's designee, in consultation with  
the working group, shall:

48  
50 A. Establish baseline information about origins of food  
consumed in Maine, including a breakdown of the percent

2 grown in state and the percent grown out of state and a plan  
for periodic updates of this information;

4 B. Estimate and document, to the extent possible, the  
benefits to the State as a whole from increased purchasing  
6 of locally grown foods, including the potential impact on  
Maine's rural communities, the environment, the protection  
8 of valuable farmland and jobs in local production,  
processing and distribution;

10 C. Meet with Maine's institutional food service buyers and  
12 restaurant food buyers to assess the extent of local  
products currently utilized, to encourage additional  
14 purchasing and to set targets for annual increases in Maine  
foods purchasing at each institution;

16 D. Suggest ways and techniques for food buyers, kitchen  
18 managers and chefs to increase their use of local foods,  
such as special Maine meals events, in-season vegetable  
20 promotions and the development of special Maine  
products-based recipes;

22 E. Work with producer groups to inform and educate  
24 producers about the special requirements of institutional  
food buyers; and

26 F. Develop a model contract for institutional food buyers  
28 to use in contracting with local producers, and encourage  
its use.

30 3. No later than January 15, 2001, the Commissioner of  
32 Agriculture, Food and Rural Resources shall report to the First  
Regular Session of the 120th Legislature on the accomplishments  
34 of the working group and recommendations for continuing efforts  
to promote in-state purchasing of foods grown in Maine. The  
36 commissioner shall submit legislation to implement the  
recommendations of the working group.

38 **Sec. 9. Plan for expanding farmers' markets.** By January 2001,  
40 the Commissioner of Agriculture, Food and Rural Resources shall  
prepare a strategy for increasing the number of farmers' markets  
42 in Maine. The commissioner shall identify sources of funding and  
provide technical assistance to local farmers' markets to improve  
44 their operations, including assistance with developing permanent  
or better sites for their markets; promotion of market hours,  
46 locations and special events; feasibility studies for covered  
pavilions or indoor locations; and improving directional signs  
48 and on-site signs for the markets.

50 **Sec. 10. Revision of statutory provisions.** The joint standing  
committee of the Legislature having jurisdiction over  
52 agricultural matters shall review statutory provisions regarding  
agricultural

2 internship and training, agricultural awareness, purchasing of  
3 food by state institutions and in-state marketing of food  
4 produced in Maine, and shall review Maine's food policy, Resolve  
5 1984, chapter 51. The joint standing committee of the Legislature  
6 having jurisdiction over agricultural matters may report out a  
7 bill during the 120th Legislature to reorganize the provisions  
8 contained in the Maine Revised Statutes, Title 7, chapters 8-A,  
9 8-B, 8-D and chapter 101, subchapters 1, 1-A, 2 and 2-B to  
10 eliminate archaic terms and confusing language, update  
11 cross-references and make revisions to direct the department in  
12 its responsibilities for promoting agricultural awareness and  
13 local food consumption and for developing mentoring opportunities  
14 in agriculture and to codify certain provisions of Maine's food  
15 policy.

16 **Sec. 11. Appropriation.** The following funds are appropriated  
17 from the General Fund to carry out the purposes of this Act.

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2000-01

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21 **AGRICULTURE, FOOD AND RURAL**  
22 **RESOURCES, DEPARTMENT OF**

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23 **Division of Market and**  
24 **Production Development**

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26 All Other \$60,000

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40 **SUMMARY**

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This bill requires that a minimum of \$1,000,000 be available for loans to agricultural enterprises engaged primarily in direct marketing and specifies that these loans may be for traditional equipment and other capital expenses allowed in the statutory provision establishing the loan fund. The requirement that the commissioner make available \$1,000,000 for these projects is repealed December 31, 2002.

2 This bill specifies circumstances under which the  
Agricultural Marketing Loan Fund may be used to fund up to 50% of  
4 the cost of developing a business plan for an agricultural  
enterprise applying for a project loan under the Agricultural  
Marketing Loan Fund program.

6  
8 It directs the Commissioner of Agriculture, Food and Rural  
Resources to develop information on the sources of Maine's food  
10 supply and to take actions to increase the production and sale of  
in-state foods.

12 It directs the Commissioner of Agriculture, Food and Rural  
Resources to provide assistance to farmers' markets.

14  
16 This bill allows proceeds from the Land for Maine's Future  
Fund to be used for developing a business plan and capital  
improvements to farmland when interest in the farmland has been  
18 acquired through the Land for Maine's Future Fund.

20 It authorizes the joint standing committee of the  
Legislature having jurisdiction over agricultural matters to  
22 report out legislation during the 120th Legislature to update and  
revise provisions in Title 7 regarding agricultural internship  
24 and training, agricultural awareness, purchasing of food by state  
institutions and in-state marketing of food produced in Maine.

26  
28 This bill appropriates funds to the Department of  
Agriculture, Food and Rural Resources to assist in developing  
data regarding food consumption and support activities to  
30 increase sales of locally grown food.