

MAINE STATE LEGISLATURE

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L.D. 882

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DATE: *April 24, 2001*

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AGRICULTURE, CONSERVATION AND FORESTRY

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**STATE OF MAINE
SENATE
120TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "*A*" to S.P. 250, L.D. 882, Bill, "An Act to Provide Loans for the Construction of Potato Storage Facilities"

Amend the bill by striking out the title and substituting the following:

'An Act to Enhance Participation in the Agricultural Marketing Loan Fund'

Further amend the bill by striking out everything after the title and before the summary and inserting in its place the following:

'Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, interest rates established for loans from the Agricultural Marketing Loan Fund are significantly higher than interest rates for other state agricultural loan programs; and

Whereas, affordable financing is important to agricultural enterprises and our rural economies; and

Whereas, the Agricultural Marketing Loan Fund has been underutilized due to the interest rates; and

COMMITTEE AMENDMENT

2 **Whereas**, in the judgment of the Legislature, these facts
 4 create an emergency within the meaning of the Constitution of
 6 Maine and require the following legislation as immediately
 8 necessary for the preservation of the public peace, health and
 10 safety; now, therefore,

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

10 **Sec. 1. 7 MRSA §434, sub-§1**, as repealed and replaced by PL
 12 1999, c. 504, §1, is amended to read:

14 **1. Agricultural enterprise.** "Agricultural enterprise"
 16 means a person or business located in this State and engaged in
 18 the commercial growing or harvesting of plants; raising of
 20 animals; growing or obtaining plant or animal by-products;
 22 aquaculture, as defined in Title 12, section 6001, subsection 1;
 24 or further processing, storing, packaging or marketing a raw
 26 product derived from plants, animals, plant or animal by-products
 28 or aquaculture, as defined in Title 12, section 6001, subsection
 30 1, with the intent that the product be sold or otherwise disposed
 of to generate income. "Agricultural enterprise" includes a
 business or activity that attracts visitors to a farm for the
 purpose of supplementing income from the primary crop or
 livestock operation. "Agricultural enterprise" does not include
 a business engaged primarily in the growing, harvesting or
 further processing of forest species of trees for the purpose of
 producing pulp or other materials used in the paper manufacturing
 or wood manufacturing process.

32 **Sec. 2. 7 MRSA §435, sub-§3**, as enacted by PL 1995, c. 658,
 §1, is amended to read:

34 **3. Interest rate.** ~~The commissioner, by rule, may establish~~
 36 ~~an interest rate for a loan, except that this rate may not be~~
 38 ~~less than loans is 5% per year. If the commissioner does not~~
~~establish an interest rate, the rate on a loan is a rate that is~~
~~2% less than the prime rate of interest as is determined by the~~
~~commissioner.~~

40 **Sec. 3. 7 MRSA §435, sub-§5** is enacted to read:

42 **5. Report.** The commissioner shall submit an annual report
 44 on or before March 1st of each year to the joint standing
 46 committee of the Legislature having jurisdiction over
 48 agricultural matters. The report must include a summary of loans
made during the previous calendar year and loans outstanding
categorized by the types of agricultural enterprises receiving
the loans.

2 **Emergency clause.** In view of the emergency cited in the
preamble, this Act takes effect when approved.'

4
6 Further amend the bill by inserting at the end before the
summary the following:

8 **'FISCAL NOTE**

10 Establishing a fixed interest rate for the Agricultural
Marketing Loan Fund may increase the use of the fund; the amounts
12 can not be determined at this time. Increased use of the
Agricultural Marketing Loan Fund will not have any fiscal impact
14 on the operations of the Department of Agriculture, Food and
Rural Resources.

16
18 The Department of Agriculture, Food and Rural Resources will
incur some minor additional costs to submit a required report
20 pertaining to the Agricultural Marketing Loan Fund. These costs
can be absorbed within the department's existing budgeted
resources.'

22
24 **SUMMARY**

26 The amendment replaces the bill. It provides for all loans
under the Agricultural Marketing Loan Fund to have a 5% annual
28 interest rate. This amendment also requires the Commissioner of
Agriculture, Food and Rural Resources to submit an annual report
30 to the joint standing committee of the Legislature having
jurisdiction over agricultural matters. It also adds an
32 emergency preamble and clause and a fiscal note to the bill.