

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)



# 120th MAINE LEGISLATURE

## FIRST REGULAR SESSION-2001

---

Legislative Document

No. 1505

S.P. 451

In Senate, March 8, 2001

---

**An Act to Streamline the Administration of the Potato Marketing  
Improvement Fund.**

---

Reference to the Committee on Agriculture, Conservation and Forestry suggested and ordered printed.

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

JOY J. O'BRIEN  
Secretary of the Senate

Presented by Senator KNEELAND of Aroostook. (GOVERNOR'S BILL).  
Cosponsored by Representative LUNDEEN of Mars Hill and  
Senator KILKELLY of Lincoln, Representatives: FOSTER of Gray, HAWES of Standish,  
LANDRY of Patten, McKEE of Wayne, PINEAU of Jay.

2  
3 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 7 MRSA §972**, as amended by PL 1989, c. 503, Pt. B,  
5 §42, is further amended to read:

6 **§972. Potato Marketing Improvement Committee**

7  
8 There is established an advisory committee, as authorized by  
9 Title 5, section 12004-H, subsection 10, of 10 members to be  
10 known as the Potato Marketing Improvement Committee. The Potato  
11 Marketing Improvement Committee shall advise the commissioner on  
12 the development and implementation of improved potato marketing  
13 systems, including the modernization, construction and operation  
14 of storage and central packing facilities. The Potato Marketing  
15 Improvement Committee shall also advise the commissioner  
16 concerning the funding and expenditures of the Potato Marketing  
17 Improvement Fund created pursuant to Title 10, section 973  
18 1023-N. The commissioner shall appoint one member representing  
19 the University of Maine System, one member representing the  
20 Farmers Home Administration, one member representing the Farm  
21 Credit System, one member representing the Department of Economic  
22 and Community Development and one member representing the  
23 public. Each executive council established pursuant to Title 36,  
24 section 4603, subsection 3, shall appoint one person to serve as  
25 a member of the committee. The commissioner and the executive  
26 councils shall appoint as members persons with education,  
27 training or experience relevant to the development and  
28 implementation of improved potato marketing systems, including  
29 the modernization, construction and operation of storage and  
30 central packing facilities and with an understanding of the  
31 importance of those facilities for potato quality and marketing.  
32 When the commissioner finds it appropriate, the members  
33 representing the Farmers Home Administration and the Farm Credit  
34 System may serve as a loan review committee and advise the  
35 commissioner, on a confidential basis, on applications for  
36 funding.

37 **Sec. 2. 7 MRSA §973**, as amended by PL 1993, c. 699, §5, is  
38 repealed.

39 **Sec. 3. 7 MRSA §973-A** is enacted to read:

40  
41 **§973-A. Administration of Potato Marketing Improvement Fund**

42  
43 The commissioner shall administer the Potato Marketing  
44 Improvement Fund established under Title 10, section 1023-N.

45  
46 **Sec. 4. 7 MRSA §974-A, sub-§2**, as amended by PL 1999, c. 127,  
47 Pt. A, §14, is further amended to read:

48  
49  
50

2           **2. State loan interest rate.** The interest rate for state  
loans is 5%. Loans current on April 21, 1988 must be  
renegotiated to an interest rate of 5%.

4  
6           A fee for administrative costs, which must be at a rate set by  
rule by the commissioner upon consultation with the Potato  
Marketing Improvement Committee but which that may not exceed 1%  
8           of the loan, must be charged on all loans made for projects, the  
total cost of which exceeds \$50,000. This fee must be deposited  
10           in the fund Potato Marketing Improvement Fund.

12           **Sec. 5. 7 MRSA §977** is enacted to read:

14           **§977. Potato Marketing Improvement Fund Operating Account**

16           There is established a Potato Marketing Improvement Fund  
Operating Account. This account draws funds from the Potato  
18           Marketing Improvement Fund established in Title 10, section  
1023-N on a periodic basis to be determined by the department to  
20           cover the costs of administering the fund and any grants made.

22           **Sec. 6. 10 MRSA §1023-N** is enacted to read:

24           **§1023-N. Potato Marketing Improvement Fund**

26           There is created a fund known as the Potato Marketing  
Improvement Fund, referred to in this section as the "fund." The  
28           fund must be deposited with and maintained by the authority. The  
fund must be administered by the Commissioner of Agriculture,  
30           Food and Rural Resources in accordance with Title 7, chapter 103,  
subchapter X. All money received by the authority from any  
32           source for the development and implementation of an improved  
storage, packing and marketing program must be credited to the  
34           fund. Any money credited to the fund from the issuance of bonds  
on behalf of the State for agricultural development may be used  
36           only for the purposes of state loans as prescribed by Title 7,  
section 974-A to provide assistance to farmers for the design,  
38           construction, improvement, support and operation of storage,  
packing and marketing facilities and to pay the administrative  
40           costs of processing loan applications and servicing and  
administering the fund and loans and grants made therein, to the  
42           extent that the costs exceed the fee for administrative costs  
established by Title 7, section 974-A, subsection 2. Repayment  
44           of these loans and interest on the loans must be credited to the  
fund to be available for making additional state loans for the  
46           same purposes, except that any interest earned on the cash  
balance of the fund may be used for the grants authorized by  
48           Title 7, section 975-A. In order to provide additional amounts  
for loans, the Commissioner of Agriculture, Food and Rural  
50           Resources, at the commissioner's discretion, may take such

2 actions and enter into such agreements as may be necessary to  
 4 sell or assign up to \$2,000,000 in the aggregate principal amount  
 6 of loans and undivided interests in a pool of loans and assign or  
 8 pledge any mortgage or other security to the authority, under the  
 10 terms and conditions the commissioner considers advisable. The  
 12 assignment and related transactions may not result in  
 14 indebtedness of the State. The proceeds of the sale or  
 16 assignment must be credited to the fund and used for the purposes  
 18 authorized in this section.

20 A purchaser of a modern storage facility that was previously  
 22 financed with a state loan from the fund may receive a loan under  
 24 the conditions of this section. Mortgages obtained from the fund  
 26 may be assumed by subsequent purchasers of the property. The  
 28 Department of Agriculture, Food and Rural Resources shall adopt  
 30 rules concerning the purchase of existing buildings.

32 Rules adopted pursuant to this section are routine technical  
 34 rules as defined in Title 5, chapter 375, subchapter II-A. These  
 36 rules must include provisions that ensure that such purchases are  
 38 in keeping with the purposes and intent of this subchapter and of  
 40 Private and Special Law 1981, chapters 65 and 75. They must also  
 42 include a definition of a modern storage facility.

44 **Sec. 7. Appropriation.** The following funds are appropriated  
 46 from the Other Special Revenue to carry out the purposes of this  
 48 Act.

	<b>2001-02</b>	<b>2002-03</b>
<b>OTHER SPECIAL REVENUE:</b>		
<b>AGRICULTURE, FOOD AND RURAL RESOURCES, DEPARTMENT OF</b>		
<b>Market and Production Development, Division of</b>		
Positions - Legislative Count	(1.000)	(1.000)
Personal Services	\$63,582	\$65,402
All Other	116,033	104,210
<b>TOTAL</b>	<u>\$179,615</u>	<u>\$169,612</u>
<b>Potato Marketing Improvement Fund</b>		
Positions - Legislative Count	(-1.000)	(-1.000)
Personal Services	(\$63,582)	(\$65,402)
All Other	(116,033)	(104,210)

2	TOTAL	<u>(\$179,615)</u>	<u>(\$169,612)</u>
4	<b>DEPARTMENT OF AGRICULTURE,</b>		
	<b>FOOD AND RURAL RESOURCES</b>		
6	<b>TOTAL</b>	<u>\$0</u>	<u>\$0</u>

8

### SUMMARY

10

12 The purpose of this bill is to streamline the administration  
of the Potato Marketing Improvement Fund. This bill establishes  
the Potato Marketing Improvement Fund Operating Account and  
14 specifies that the Commissioner of Agriculture, Food and Rural  
Resources administers the Potato Marketing Improvement Fund.