

MAINE STATE LEGISLATURE

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121st MAINE LEGISLATURE

FIRST REGULAR SESSION-2003

Legislative Document

No. 1378

H.P. 1013

House of Representatives, March 18, 2003

An Act To Provide Financing Relief for Maine Dairy Farmers

(EMERGENCY)

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

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative PIOTTI of Unity. (GOVERNOR'S BILL)
Cosponsored by Senator BRYANT of Oxford and
Representatives: AUSTIN of Gray, CARR of Lincoln, JACOBSEN of Waterboro, McKEE of
Wayne, SMITH of Monmouth, Senators: BROMLEY of Cumberland, YOUNGBLOOD of
Penobscot.

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

4 Whereas, the producer price of milk has dropped to 20-year
6 lows; and

8 Whereas, these prices jeopardize the viability of the Maine
dairy industry; and

10 Whereas, the Maine dairy industry is essential to the
12 State's rural economy and communities and generates business
activity and preserves open space; and

14 Whereas, the stabilization of the dairy industry during
16 temporary price drops constitutes a public purpose and an
appropriate expenditure of state revenues; and

18 Whereas, in the judgment of the Legislature, these facts
20 create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
22 necessary for the preservation of the public peace, health and
safety; now, therefore,

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

26 **Sec. 1. 10 MRSA §1023-J, first ¶,** as repealed and replaced by PL
28 2001, c. 471, Pt. A, §12, is amended to read:

30 The Agricultural Marketing Loan Fund, referred to in this
section as the "fund," is created. The fund must be deposited
32 with and maintained by the Finance Authority of Maine. The fund
must be administered by the Commissioner of Agriculture, Food and
34 Rural Resources in accordance with Title 7, chapter 101,
subchapter ~~I-D~~ 1-D. All money received by the Finance Authority
36 of Maine from any source for the development and implementation
of an improved agricultural marketing loan program must be
38 credited to the fund. Any money credited to the fund from the
issuance of bonds on behalf of the State for financing loans for
40 agricultural enterprises may be used only for the following
purposes: to provide assistance to agricultural enterprises in
42 this State for the design, construction or improvement of
commodity and storage buildings and packing and marketing
44 facilities; for the purchase, construction or renovation of
buildings, equipment, docks, wharves, piers or vessels used in
46 connection with a commercial agricultural enterprise; for the
purchase of land in connection with development of new cranberry
48 acreage; for the purchase of land for irrigation reservoirs or to
provide direct access to water for irrigation; for the purchase
50 of land necessary for the start-up of a new agricultural

2 enterprise; for the expansion of an existing agricultural
3 enterprise when the land acquisition is necessary to comply with
4 land use regulations; ~~or~~ for the development of a business plan
5 in accordance with the provisions of Title 7, section 436-A; or,
6 if the commissioner so approves at the time of loan insurance
7 commitment, to pledge money in the fund as security for, and to
8 apply money in the fund to, payment of principal, interest and
9 other amounts due on any capital loans insured by the Finance
10 Authority of Maine to an eligible dairy farmer. Repayment of
11 these loans and interest on these loans must be credited to the
12 fund and must be available for making additional loans for the
13 same purposes, except that interest may be used for the purposes
14 stated in Title 7, section 436. Interest earned on money in the
15 fund and interest earned on loans made from the fund may be used
16 to pay the administrative costs of processing loan applications,
17 to the extent that these costs exceed the fee for administrative
18 costs established by Title 7, section 435, subsection 4.

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

22 SUMMARY

23 This bill allows money in the Agricultural Marketing Loan
24 Fund to be used as security for, and to be applied to, payment of
25 principal, interest and other amounts due on loans insured by the
26 Finance Authority of Maine to eligible dairy farmers.
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