

# MAINE STATE LEGISLATURE

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# 121st MAINE LEGISLATURE

## FIRST REGULAR SESSION-2003

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Legislative Document

No. 1430

H.P. 1049

House of Representatives, March 25, 2003

### **An Act To Improve Farmer Participation in the Agricultural Marketing Loan Fund**

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Submitted by the Department of Agriculture, Food and Rural Resources pursuant to Joint Rule 204.

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

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative PINEAU of Jay.  
Cosponsored by Senator YOUNGBLOOD of Penobscot and  
Representatives: HONEY of Boothbay, LUNDEEN of Mars Hill, McKEE of Wayne, Senators:  
BRYANT of Oxford, KNEELAND of Aroostook.

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

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4       **Sec. 1. 7 MRSA §435, sub-§2, ¶¶A and B**, as enacted by PL 1995, c. 658, §1, are amended to read:

6           A. An agricultural marketing loan for any project under  
8           this subchapter, the total cost of which exceeds \$50,000  
10           \$100,000, may not exceed 45% 75% of the project cost. A  
12           loan from the fund may not be provided for such a project  
14           unless the applicant demonstrates a commitment of private  
16           funds of at least 10% 5% of the total cost of the project;  
18           except that, in order to encourage the undertaking of  
20           cooperative projects by 2 or more agricultural enterprises,  
22           an agricultural marketing loan may not be provided unless  
24           the cooperating agricultural enterprises as a group  
26           demonstrate a commitment of private funds of at least 5% of  
28           the total cost of the project.

30           B. An agricultural marketing loan for any project under  
32           this subchapter, the total cost of which is \$50,000 \$100,000  
34           or less, may not exceed 55% 90% of the total cost of the  
36           project.

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

40           I. The commissioner shall make available a minimum of  
42           \$1,000,000 from the Agricultural Marketing Loan Fund for the  
44           purpose of providing loans to agricultural enterprises that  
46           are engaged primarily in direct marketing as defined in  
48           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  
          exceed \$100,000. This paragraph is repealed December 31,  
          2004.

40       **Sec. 3. 7 MRSA §435, sub-§4**, as enacted by PL 1995, c. 658,  
42       §1, is amended to read:

44           **4. Administrative costs.** The commissioner may establish, by  
46           rule, a fee for administrative costs on loans in excess of  
48           \$50,000 \$100,000. This fee may not exceed 1% of the loan. The  
          commissioner may contract with the Finance Authority of Maine to  
          assist in the administration of this subchapter.

## SUMMARY

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4       This bill increases the amount of an agricultural marketing  
loan that would be covered by the State.