

MAINE STATE LEGISLATURE

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124th MAINE LEGISLATURE

FIRST REGULAR SESSION-2009

Legislative Document

No. 894

H.P. 612

House of Representatives, March 5, 2009

**An Act To Establish the Maine Farmland Fund and Authorize a
General Fund Bond Issue To Support Maine's Traditional
Industries**

Reference to the Committee on Appropriations and Financial Affairs suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Speaker PINGREE of North Haven.
Cosponsored by Senator RAYE of Washington and
Representatives: EATON of Sullivan, KENT of Woolwich, O'BRIEN of Lincolnville, PERCY
of Phippsburg, SMITH of Monmouth, STUCKEY of Portland, Senators: DAMON of Hancock,
NUTTING of Androscoggin, RECTOR of Knox.

1 **Preamble.** Two thirds of both Houses of the Legislature deeming it necessary in
2 accordance with the Constitution of Maine, Article IX, Section 14 to authorize the
3 issuance of bonds on behalf of the State of Maine to provide funds as described in this
4 Act,

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

6 **PART A**

7 **Sec. A-1. Authorization of bonds.** The Treasurer of State is authorized, under
8 the direction of the Governor, to issue bonds in the name and on behalf of the State in an
9 amount not exceeding \$16,000,000 for the purposes described in section 6 of this Part.
10 The bonds are a pledge of the full faith and credit of the State. The bonds may not run for
11 a period longer than 10 years from the date of the original issue of the bonds. At the
12 discretion of the Treasurer of State, with the approval of the Governor, any issuance of
13 bonds may contain a call feature.

14 **Sec. A-2. Records of bonds issued kept by Treasurer of State.** The
15 Treasurer of State shall keep an account of each bond showing the number of the bond,
16 the name of the successful bidder to whom sold, the amount received for the bond, the
17 date of sale and the date when payable.

18 **Sec. A-3. Sale; how negotiated; proceeds appropriated.** The Treasurer of
19 State may negotiate the sale of the bonds by direction of the Governor, but no bond may
20 be loaned, pledged or hypothecated on behalf of the State. The proceeds of the sale of the
21 bonds, which must be held by the Treasurer of State and paid by the Treasurer of State
22 upon warrants drawn by the State Controller, are appropriated solely for the purposes set
23 forth in this Part. Any unencumbered balances remaining at the completion of the project
24 in this Part lapse to the debt service account established for the retirement of these bonds.

25 **Sec. A-4. Interest and debt retirement.** The Treasurer of State shall pay
26 interest due or accruing on any bonds issued under this Part and all sums coming due for
27 payment of bonds at maturity.

28 **Sec. A-5. Disbursement of bond proceeds.** The proceeds of the bonds must be
29 expended as set out in this Part under the direction and supervision of the Maine Farms
30 for the Future Program within the Department of Agriculture, Food and Rural Resources,
31 Land for Maine's Future Board and the Finance Authority of Maine.

32 **Sec. A-6. Allocations from General Fund bond issue.** The proceeds of the
33 sale of the bonds authorized under this Part must be expended as designated in the
34 following schedule.

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MAINE FARMLAND FUND

Provides \$5,000,000 in funds to preserve farmland by providing funds directly to land trusts using the federal farmland preservation standards as benchmarks and \$500,000 for appraisal costs of donated easements for farmland. \$5,500,000

LAND FOR MAINE'S FUTURE FUND

Provides \$5,000,000 in funds to preserve working waterfronts and \$500,000 for appraisal costs of donated easements for working waterfronts. \$5,500,000

FINANCE AUTHORITY OF MAINE

Provides \$3,000,000 in grants and \$2,000,000 in loans for food processing for fishing and agriculture industries, all within the State. \$5,000,000

Sec. A-7. Contingent upon ratification of bond issue. Sections 1 to 6 do not become effective unless the people of the State ratify the issuance of the bonds as set forth in this Part.

Sec. A-8. Appropriation balances at year-end. At the end of each fiscal year, all unencumbered appropriation balances representing state money carry forward. Bond proceeds that have not been expended within 10 years after the date of the sale of the bonds lapse to General Fund debt service.

Sec. A-9. Bonds authorized but not issued. Any bonds authorized but not issued, or for which bond anticipation notes are not issued within 5 years of ratification of this Part, are deauthorized and may not be issued, except that the Legislature may, within 2 years after the expiration of that 5-year period, extend the period for issuing any remaining unissued bonds or bond anticipation notes for an additional amount of time not to exceed 5 years.

Sec. A-10. Referendum for ratification; submission at election; form of question; effective date. This Part must be submitted to the legal voters of the State at a statewide election held in the month of November following passage of this Part. The municipal officers of this State shall notify the inhabitants of their respective cities, towns and plantations to meet, in the manner prescribed by law for holding a statewide election, to vote on the acceptance or rejection of this Part by voting on the following question:

"Do you favor a \$16,000,000 bond issue that would provide funds for preservation of working waterfronts and farmland by providing funds

1 directly to land trusts using the federal farmland preservation standards
2 as benchmarks, would provide funds for appraisal costs of donated
3 easements for working waterfronts and farmland and would provide
4 funds for food processing for fishing and agricultural industries?"

5 The legal voters of each city, town and plantation shall vote by ballot on this question
6 and designate their choice by a cross or check mark placed within a corresponding square
7 below the word "Yes" or "No." The ballots must be received, sorted, counted and
8 declared in open ward, town and plantation meetings and returns made to the Secretary of
9 State in the same manner as votes for members of the Legislature. The Governor shall
10 review the returns. If a majority of the legal votes are cast in favor of this Part, the
11 Governor shall proclaim the result without delay and this Part becomes effective 30 days
12 after the date of the proclamation.

13 The Secretary of State shall prepare and furnish to each city, town and plantation all
14 ballots, returns and copies of this Part necessary to carry out the purposes of this
15 referendum.

16 PART B

17 **Sec. B-1. 7 MRSA §317**, as amended by PL 2007, c. 660, §1, is further amended
18 to read:

19 **§317. Maine Farms for the Future Program**

20 The Maine Farms for the Future Program, referred to in this chapter as the "program,"
21 is created. The program is administered by the department, either directly or by contract
22 with a suitable organization. The program provides a selected farm with assistance in
23 developing a detailed business plan that involves changes in the farm's operation to
24 increase the vitality of the farm and investment money to help implement the plan.
25 Participants in the program are eligible to apply for reduced-interest loans from the
26 Agricultural Marketing Loan Fund established under Title 10, section 1023-J and
27 administered under section 435. The department shall organize a review panel, referred
28 to in this chapter as the "panel," to evaluate and approve applications for participation in
29 the program and for investment support. The department shall administer application and
30 distribution of the Maine Farmland Fund established under section 317-A.

31 **Sec. B-2. 7 MRSA §317-A** is enacted to read:

32 **§317-A. Maine Farmland Fund**

33 The Maine Farmland Fund, referred to in this chapter as "the fund," is created to
34 provide dedicated and nonlapsing funds administered by the department to preserve
35 farmland by providing funds directly to land trusts using the federal farmland
36 preservation standards as benchmarks and to pay for appraisal costs of donated easements
37 for farmland. The department shall establish the administration of the fund by rule.
38 Rules adopted pursuant to this section are routine technical rules as defined in Title 5,
39 chapter 375, subchapter 2-A.

1 **Sec. B-3. 7 MRSA §320, sub-§1, ¶E**, as amended by PL 2007, c. 660, §5, is
2 further amended to read:

3 E. Administering the disbursement of investment support; ~~and~~

4 **Sec. B-4. 7 MRSA §320, sub-§1, ¶F**, as amended by PL 2007, c. 660, §5, is
5 further amended to read:

6 F. Executing and enforcing farmland protection agreements; and

7 **Sec. B-5. 7 MRSA §320, sub-§1, ¶H** is enacted to read:

8 H. Promoting, organizing, developing criteria for and administering the disbursement
9 of funds from the fund pursuant to section 317-A.

10 **PART C**

11 **Sec. C-1. Rulemaking.** The Finance Authority of Maine shall establish rules to
12 administer funds for food processing for the fishing and agricultural industries in this
13 State for both grants and loans. Rules adopted pursuant to this section are routine
14 technical rules as defined in the Maine Revised Statutes, Title 5, chapter 375, subchapter
15 2-A.

16 **SUMMARY**

17 The funds provided by this bond issue, in the amount of \$16,000,000, will be used to
18 provide funds for preservation of working waterfronts and farmland by providing funds
19 directly to land trusts using the federal farmland preservation standards as benchmarks,
20 providing funds for appraisal costs of donated easements for working waterfronts and
21 farmland and providing funds for food processing for fishing and agricultural industries.
22 This bill also establishes the Maine Farmland Fund.