

MAINE STATE LEGISLATURE

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Date: **May 31, 2013**

(Filing No. S- **170**)

AGRICULTURE, CONSERVATION AND FORESTRY

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STATE OF MAINE

SENATE

126TH LEGISLATURE

FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 148, L.D. 368, Bill, "An Act To Ensure the Continuation of Dairy Farming"

Amend the bill by striking out everything after the title and inserting the following:

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

Whereas, the Maine dairy industry is essential to the State's rural economy and communities, generating \$570,000,000 per year in economic activity, providing 1,300 jobs directly on farms and 4,000 jobs industry-wide, conserving more than 700,000 acres of open space and woodlands and providing the equivalent of 71,000,000 gallons a year in high-quality, fresh, local milk and other dairy products to Maine people; and

Whereas, the federal Milk Income Loss Contract, or MILC, program is due to expire in September 2013; and

Whereas, not all Maine dairy farmers receive payments from the MILC program in months when payments are made, yet the current formula for calculating the tiers of production assumes that all farmers have received a MILC program payment each month it is offered, creating an inequity between farms; and

Whereas, the inclusion of the over-order premium in the current formula for determining tiers treats organic and conventional farmers differently, creating an inequity between different production systems; and

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

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

Sec. 1. 7 MRSA §3153-B, sub-§1, ¶B, as enacted by PL 2003, c. 648, §2, is amended to read:

COMMITTEE AMENDMENT

1 B. "Base price" means the ~~price of milk calculated each month in accordance with~~
2 ~~subsection 2~~ Suffolk County, Massachusetts statistical uniform price of milk as
3 determined for each month by the Northeast Market Administrator of the United
4 States Department of Agriculture and expressed per hundredweight of milk.

5 **Sec. 2. 7 MRSA §3153-B, sub-§1, ¶C**, as enacted by PL 2003, c. 648, §2, is
6 repealed.

7 **Sec. 3. 7 MRSA §3153-B, sub-§2**, as enacted by PL 2003, c. 648, §2, is repealed.

8 **Sec. 4. 8 MRSA §1036, sub-§2-A, ¶K**, as amended by PL 2011, c. 625, §3 and
9 c. 657, Pt. W, §5, is further amended to read:

10 K. One percent of the net slot machine income must be forwarded by the board to the
11 Treasurer of State, who shall credit the money to the Maine Milk Pool, Other Special
12 Revenue Funds account within the Department of Agriculture, Conservation and
13 Forestry to help fund dairy farm stabilization pursuant to Title 7, sections 3153-B and
14 3153-D. This paragraph is repealed July 1, 2013; and

15 **Sec. 5. 8 MRSA §1036, sub-§2-A, ¶L**, as enacted by PL 2011, c. 625, §4 and
16 amended by c. 657, Pt. W, §5, is repealed.

17 **Sec. 6. 8 MRSA §1036, sub-§2-A, ¶M**, as enacted by PL 2011, c. 625, §4, is
18 amended to read:

19 M. Beginning July 1, 2013, ~~1/2~~ ~~of~~ 1% of the net slot machine income must be
20 forwarded by the board to the Treasurer of State, who shall credit the money to the
21 Dairy Improvement Fund established under Title 10, section 1023-P.

22 **Sec. 7. Appropriations and allocations.** The following appropriations and
23 allocations are made.

24 **AGRICULTURE, CONSERVATION AND FORESTRY, DEPARTMENT OF**
25 **Milk Commission 0188**

26 Initiative: Provides funding for increased payments to the dairy stabilization program.

27	OTHER SPECIAL REVENUE FUNDS	2013-14	2014-15
28	All Other	\$988,527	\$2,187,678
29			
30	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$988,527</u>	<u>\$2,187,678</u>

31	AGRICULTURE, CONSERVATION AND		
32	FORESTRY, DEPARTMENT OF		
33	DEPARTMENT TOTALS	2013-14	2014-15
34			
35	OTHER SPECIAL REVENUE FUNDS	<u>\$988,527</u>	<u>\$2,187,678</u>
36			

1	DEPARTMENT TOTAL - ALL FUNDS	\$988,527	\$2,187,678
2	FINANCE AUTHORITY OF MAINE		
3	Dairy Improvement Fund N130		
4	Initiative: Allocates funds for loans to assist dairy farmers in making capital		
5	improvements from increasing the portion of net slot machine income from the Oxford		
6	Casino from 1/2% to 1%.		
7	OTHER SPECIAL REVENUE FUNDS	2013-14	2014-15
8	All Other	\$262,915	\$265,544
9			
10	OTHER SPECIAL REVENUE FUNDS TOTAL	<u>\$262,915</u>	<u>\$265,544</u>
11	FINANCE AUTHORITY OF MAINE		
12	DEPARTMENT TOTALS	2013-14	2014-15
13			
14	OTHER SPECIAL REVENUE FUNDS	\$262,915	\$265,544
15			
16	DEPARTMENT TOTAL - ALL FUNDS	<u>\$262,915</u>	<u>\$265,544</u>
17	SECTION TOTALS	2013-14	2014-15
18			
19	OTHER SPECIAL REVENUE FUNDS	\$1,251,442	\$2,453,222
20			
21	SECTION TOTAL - ALL FUNDS	<u>\$1,251,442</u>	<u>\$2,453,222</u>

22 **Emergency clause.** In view of the emergency cited in the preamble, this
23 legislation takes effect when approved.
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SUMMARY

This amendment replaces the concept draft. It simplifies the process of calculating dairy stabilization tier program payments by eliminating additions to the statistical uniform blend price when determining the base price for comparison with the so-called tier safety net levels. The amendment also eliminates the distribution of 1/2 of 1% of the casino slot machine income to the Maine Milk Pool that is scheduled to begin July 1, 2013 and increases the net slot machine income distribution to the Dairy Improvement Fund from 1/2 of 1% to 1% on that date. The amendment also adds an emergency preamble and emergency clause.

The amendment also adds an appropriations and allocations section.

FISCAL NOTE REQUIRED

(See attached)



126th MAINE LEGISLATURE

LD 368

LR 1540(02)

An Act To Ensure the Continuation of Dairy Farming

Fiscal Note for Bill as Amended by Committee Amendment
Committee: Agriculture, Conservation and Forestry
Fiscal Note Required: Yes

A(5-170)

Fiscal Note

	FY 2013-14	FY 2014-15	Projections FY 2015-16	Projections FY 2016-17
Net Cost (Savings)				
General Fund	\$1,251,442	\$2,453,222	\$2,455,878	\$2,458,560
Appropriations/Allocations				
Other Special Revenue Funds	\$1,251,442	\$2,453,222	\$2,455,878	\$2,458,560
Revenue				
General Fund	(\$1,251,442)	(\$2,453,222)	(\$2,455,878)	(\$2,458,560)
Other Special Revenue Funds	\$1,251,442	\$2,453,222	\$2,455,878	\$2,458,560

Fiscal Detail and Notes

This legislation makes changes to the calculation of base price in calculating payments made through the dairy stabilization program. It also eliminates the distribution of 1/2% of net slot machine income from the Oxford Casino to the dairy stabilization program and increases the distribution to the Dairy Improvement Fund within the Finance Authority of Maine from 1/2% to 1%. The result of these changes is an additional transfer from the General Fund to the dairy stabilization program of \$1,251,442 in fiscal year 2013-14 and \$2,453,222 in fiscal year 2014-15. The bill includes Other Special Revenue Funds allocations of \$988,527 in fiscal year 2013-14 and \$2,187,678 in fiscal year 2014-15 to the Department of Agriculture, Conservation and Forestry and Other Special Revenue Funds allocations to the Finance Authority of Maine of \$262,915 in fiscal year 2013-14 and \$265,544 in fiscal year 2014-15.