

MAINE STATE LEGISLATURE

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130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 219

H.P. 154

House of Representatives, January 27, 2021

**An Act To Enhance the Agricultural Marketing Loan Fund by
Establishing a Variable Interest Rate for Loans and To Allow
Participants in the Maine Farms for the Future Program To Borrow
at That Rate**

Submitted by the Department of Agriculture, Conservation and Forestry pursuant to Joint Rule 204.

Received by the Clerk of the House on January 25, 2021. Referred to the Committee on Agriculture, Conservation and Forestry pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

A handwritten signature in cursive script that reads "R B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative PLUECKER of Warren.
Cosponsored by Representative: Speaker FECTEAU of Biddeford.

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

2 **Sec. 1. 7 MRSA §435, sub-§3**, as amended by PL 2007, c. 660, §12, is repealed
3 and the following enacted in its place:

4 **3. Interest rate.** The commissioner, in consultation with the Finance Authority of
5 Maine, may periodically review interest rates and establish an interest rate for loans that
6 varies with the prime rate of interest and is a competitive interest rate at the time of loan
7 origination. An interest rate established pursuant to this subsection may not be less than
8 1% per year.

9 **Sec. 2. 7 MRSA §435, sub-§3-A**, as enacted by PL 2007, c. 660, §13, is amended
10 to read:

11 **3-A. Loans for participants in the Maine Farms for the Future Program.** The
12 interest rate for loans for capital improvements identified in a business plan developed
13 under section 318 for a farm determined eligible under section 319 is 2% per year or the
14 rate established by the commissioner pursuant to subsection 3, whichever is lower.

15 **SUMMARY**

16 This bill allows the Commissioner of Agriculture, Conservation and Forestry, in
17 consultation with the Finance Authority of Maine, to periodically review interest rates and
18 establish an interest rate for agricultural marketing loans that varies with the prime rate of
19 interest and is a competitive interest rate at the time of loan origination. It prohibits the
20 rate from being less than 1% per year. It also allows participants in the Maine Farms for
21 the Future Program to borrow at that rate.