

MAINE STATE LEGISLATURE

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SEVENTY-NINTH LEGISLATURE

HOUSE

NO. 167

House of Representatives, Feb. 18, 1919.

Referred to Committee on Agriculture and 500 copies ordered printed. Sent up for concurrence.

CLYDE R. CHAPMAN, Clerk.

Presented by Mr. Bean of Minot.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND
NINE HUNDRED AND NINETEEN

AN ACT Requiring that Creameries, Condensed Milk Factories and Certain Other Dealers in Dairy Products be Licensed and Give Bond Before Transacting Business.

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

Section 1. The word "company" as used in this chapter shall apply to a person, partnership, unincorporated association or corporation whose principal business in this state is, or who is devoting a substantial portion of time to, the business of operating a creamery, or condensed milk factory or of contracting for dairy products.

Sect. 2. A company shall not transact business in this state unless such company first obtains a license from the

3 commissioner of agriculture authorizing it so to do. Before
4 receiving such license, the company shall file with the sec-
5 retary of state a certified copy of its charter or articles of
6 association and its by-laws, in case such company is a cor-
7 poration, or in case such company is an unincorporated as-
8 sociation, a list of associates, or, in case of a partnership,
9 the names of the individuals composing such partnership,
10 and in case the partnership is a limited partnership, a copy
11 of the partnership agreement.

Sect. 3. A company duly licensed under the provisions
2 of this act, shall, within five days after the first day of
3 July, October, January and April, file with the commis-
4 sioner of agriculture upon blanks furnished for that pur-
5 pose a sworn statement showing assets, liabilities, income
6 and disbursements and such other information regarding
7 its financial condition as the commissioner of agriculture
8 shall require.

Sect. 4. Before issuing a license, the commissioner of
2 agriculture may require a company to file in the office of
3 the secretary of state a good and sufficient surety bond,
4 executed by a surety company duly authorized to transact
5 business in this state, in such sum as the commissioner of
6 agriculture shall direct; or the commissioner of agriculture
7 may accept in lieu of such bond, such surety by way of
8 mortgage or otherwise as they deem sufficient. Such bond,
9 mortgage or other security shall be taken for the sole benefit
10 of patrons in this state of such company. The commis-

11 sioner of agriculture may, at any time, in his discretion,
12 require such company to file detailed statements of the busi-
13 ness transacted by it in this state, and may at any time
14 require it to give such bonds or additional bonds or may
15 accept in lieu thereof such security by way of mortgage or
16 otherwise, as said commissioner of agriculture deems neces-
17 sary. In case such company shall refuse or neglect to file
18 such detailed statements or to give bonds or other security
19 required by the commissioner of agriculture the commis-
20 sioner of agriculture may suspend the license of such com-
21 pany until such time as the company shall comply with the
22 orders of the commissioner of agriculture.

Sect. 5. A company may contract with its patrons for the
2 payment of the several sums due them at such time and in
3 such manner as may be mutually agreed upon, but in the
4 absence of agreement in respect thereto, such payments
5 shall be due and payable on the tenth day of each month
6 for products delivered or furnished during the preceding
7 calendar month, provided however, that in case of such an
8 agreement, such company shall file with the commissioner
9 of agriculture within five days after such agreement is
10 made, a memorandum of such agreement duly sworn to by
11 such company. The foregoing provisions shall not be con-
12 strued to prevent such company from making payments
13 weekly or bi-monthly and in case such payments are so
14 made such fact shall be taken into consideration by the
15 commissioner of agriculture in determining the amount of

16 bond, mortgage or other security that such company shall
17 be required to furnish: provided, however, that, in case
18 such company shall agree to make payments weekly or
19 bi-monthly, a memorandum of such agreement duly sworn
20 to by such company shall be filed with said commissioner
21 of agriculture.

At the time payment is made for products, a company
2 shall, in case a patron has furnished milk or cream, furnish
3 to each such patron a statement of the number of pounds
4 of milk or cream furnished by him during the period for
5 which the payment is made, together with the price allowed
6 for the same.

All accounts due its patrons shall constitute a first lien on
2 the real estate of such company in this state and shall take
3 precedence of any subsequent mortgage or attachment by
4 any creditor of such company other than by a patron who
5 may have a valid claim under the provisions of this act or
6 of any other lien of any kind except taxes.

Sect. 6. If a company shall, for the period of ten days
2 after the date agreed upon for the payment of the several
3 amounts due its patrons, and without the consent of such
4 patrons, fails to pay the several amounts their due for
5 products delivered or furnished by them; or, in case no
6 agreement as to time and manner of payment shall be made
7 by and between such company and its patrons if such com-
8 pany shall, on or before the twentieth day of any month,
9 without the consent of its patrons, fail to pay the several

10 amounts their due, for the products delivered or furnished
11 by them for the preceding calendar month, such company
12 shall by reason of such non-payment be in default as to all
13 patrons whose accounts shall then remain unpaid, and the
14 bond or other security herein before provided for shall be
15 forfeited to the extent of all sums then due from such com-
16 pany to its several patrons in this state, and by virtue of
17 such default the conditions of such bond or other securities
18 shall be deemed to be broken.

Sect. 7. All bonds, mortgages, or other securities required
2 and furnished under the provisions of this act shall be given
3 to the commissioner of agriculture as trustees of the com-
4 pany furnishing the same, for each and all of the patrons
5 in this state and shall be conditioned for the faithful per-
6 formance by such company of all the acts prescribed for,
7 and all the conditions imposed upon such company by this
8 act or any amendments thereto, and for compliance by such
9 company with all the general laws of this state now in force
10 or hereafter enacted. Upon breach of the condition of a
11 bond, mortgage or other security the commissioner of agri-
12 culture shall, upon application by a patron of a company
13 whose account for products furnished such company re-
14 mains unpaid as herein before provided, institute appro-
15 priate proceedings thereon in their names as trustees for
16 the benefit of all of the patrons of such company in this
17 state to whom such company may be indebted at the time
18 such proceedings shall be instituted. Such proceedings may

19 be commenced in any county in this state where a patron
20 of such company resides.

Sect. 8. A company shall not be required to file a bond
2 or give security under the provision of this act if all of its
3 patrons consent in writing that such bond or security need
4 not be given, and such written agreement is duly executed
5 and filed with the commissioner of agriculture.

In case such written agreement is filed, and other persons
2 become patrons of such company, said company shall notify
3 said commissioner of agriculture of the names and post-
4 office addresses of said persons within five days after such
5 persons become patrons of said company.