

# MAINE STATE LEGISLATURE

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EIGHTY-THIRD LEGISLATURE

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House Document

No. 226

H. P. 868                      House of Representatives, Feb. 17, 1927.

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

CLYDE R. CHAPMAN, Clerk.

Presented by Mr. Kitchen of Presque Isle.

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STATE OF MAINE

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IN THE YEAR OF OUR LORD ONE THOUSAND NINE  
HUNDRED AND TWENTY-SEVEN

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AN ACT Relating to the Farm Lands Loan Commissioners and to Authorize the Sale of Lands Acquired by the State of Maine Through Foreclosure or Other Proceedings Instituted by the State Auditor, Secretary of the Commission, and to Provide for the Expenses of the Commissioners.

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

Section nine, of chapter three hundred and three, of the  
2 public laws of nineteen hundred and seventeen, is hereby  
3 amended by adding to said section the following words:  
4 'and he is hereby further authorized on recommendation of  
5 the commissioners to sell and convey in the name and on  
6 behalf of the state the interest of the state in property ac-  
7 quired by foreclosure under this section, and the net pro-

8 ceeds of such sale shall be credited to the fund from which  
9 such mortgage loan was originally made. All expenses in-  
10 cidental to or connected with the carrying out of the pro-  
11 visions of this act shall, with the approval of the governor  
12 and council, be paid from the reserved land fund, and so  
13 much of said fund as is necessary to pay such expenses is  
14 hereby appropriated for said purpose'; so that as amended  
15 said section shall read as follows :

'Sect. 9. The state auditor shall act as secretary of said  
2 commissioners and he shall keep a record of all bonds,  
3 mortgages and notes securing the same taken under au-  
4 thority of this act, showing all necessary information rela-  
5 tive to the bonds taken, the name of the mortgagor, the  
6 amount of the mortgage, when executed, when and where  
7 payable, the rate of interest and any other matters that he  
8 may deem essential, and he is hereby authorized and re-  
9 quired in the name of the state to institute and prosecute  
10 proceedings, by any of the methods provided by law of  
11 foreclosure when any sums are overdue on notes taken here-  
12 under ; and he is hereby further authorized on recommenda-  
13 tion of the commissioners to sell and convey in the name  
14 and on behalf of the state the interests of the state in prop-  
15 erty acquired by foreclosure under this section, and the  
16 net proceeds of such sale shall be credited to the fund from  
17 which such mortgage loan was originally made. All ex-  
18 penses incidental to or connected with the carrying out of  
19 the provisions of this act shall, with the approval of the  
20 governor and council, be paid from the reserved land fund,

21 and so much of said fund as is necessary to pay such ex-  
22 penses is hereby appropriated for said purpose.'

## STATEMENT OF FACTS

The Farm Loan Act of 1917 authorizes the State Auditor as Secretary of the Farm Lands Loan Commission to institute foreclosure proceedings when necessary, but did not grant him the right to sell and to convey a title to any property coming into the possession of the commission.

The Attorney General rules that such authority cannot be implied and that an amendment is necessary to grant this right. The Deputy Attorney General has therefore prepared this act to remedy this defect.

Section 7 of the Farm Loan Act appropriates whatever amount may be necessary to make loans from the reserved land fund, but there is no provision for appropriating from the fund the amount necessary for the expenses of clerk hire, postage, traveling expenses, etc., connected with this work. Heretofore the authority to incur such expense has been implied, but as the loaning of these funds on first mortgage is now assuming considerable proportions, it has been thought best, while this amendment was being sought, to include a general authority to this effect.