

MAINE STATE LEGISLATURE

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EIGHTY - SEVENTH LEGISLATURE

Legislative Document

No. 928

S. P. 718

In Senate, April 4, 1935.

Tabled by Senator Haskell of Androscoggin pending reception by Senate. 1,000 copies ordered printed.

ROYDEN V. BROWN, Secretary.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
THIRTY-FIVE

**AN ACT for the Relief, Rehabilitation, Protection and Enhancement of
Agriculture and Dairying in the State of Maine.**

Emergency preamble. Whereas, the agricultural and dairying interests of the state are of the utmost importance to the welfare and to the people of the state; and

Whereas, there exists a demoralized and distressing condition in the agricultural and dairying interests of the state, injuriously affecting all other business; and

Whereas, the best interests of the state generally demand immediate relief for, and rehabilitation, protection and enhancement of, agriculture and dairying in the state; and

Whereas, this act is designed and intended to afford such relief, rehabilitation, protection and enhancement, and to prevent recurrence of the distressing conditions that now exist; and

Whereas, legislation to afford such relief, rehabilitation, protection and enhancement of agriculture and dairying in this state immediately is necessary for the preservation of public peace, health and safety; and

Whereas, the foregoing facts, in the judgment of this legislature, constitute an emergency within the meaning of the constitution of this state; now, therefore

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

Sec. 1. Maine Agricultural Industries, Inc., created. There is hereby created, as a public agency, a body corporate and politic to be known as the Maine Agricultural Industries, Inc. (hereinafter called the "Corporation"), with its principal office in the city of Augusta, county of Kennebec, in this state, and with such branch offices in this state, as the board of directors of the Corporation may determine as necessary in carrying out the purpose and intent of this act. Within ten days after the passage and approval of this act, the governor shall nominate the board of directors as hereinafter provided, and within ten days after the appointment of said board, the commissioner of agriculture shall call a meeting of said board to complete the organization of the Corporation, to adopt by-laws and to take such further action as may be necessary to permit the transaction of business by the Corporation.

Sec. 2. Power of the Corporation. The Corporation shall have power:

(a) To sue and be sued, plead and be impleaded, complain and defend in all courts of law and equity.

(b) To adopt and use a corporate seal.

(c) To make, through its board of directors, by-laws for the management and regulation of its affairs, and to change, alter and amend such by-laws.

(d) To appoint, through the board of directors or the executive committee, officers, agents, employes and servants, to prescribe their duties, and to fix their compensation.

(e) To borrow money, make and issue negotiable notes, bonds and other evidences of indebtedness or obligations (hereinafter called "obligations") of the Corporation, and to secure the payment of such obligations, or any part thereof, by mortgage, lien, pledge or deed of trust, on all or any of its property or contracts, and to make such agreements with the purchasers or holders of such obligations, or with others in connection with such obligations, whether issued or to be issued, as the Corporation shall deem advisable, and in general to provide for the security, if any, for said obligations and the rights of the holders thereof.

(f) To make contracts of every name and nature and to execute all instruments necessary or convenient for the carrying on of its business.

(g) Without limitation of the foregoing to borrow money and accept loans and grants from, and to enter into contracts or other transactions with, the United States government or any corporation or agency created, designed or established by the United States.

(h) To mortgage, pledge, hypothecate, or otherwise encumber all or any of the property, of any name or nature, of the corporation as security for all or any of the obligations of the corporation.

(i) To loan money for the relief, rehabilitation, protection and enhancement of agriculture and dairying in the state of Maine. The making of loans shall be in the sole discretion of the board of directors. Loans to producers of commercial agricultural crops shall be on an acreage basis in such amount per acre as the board of directors, in its sole discretion, may determine, but no loan shall be made which is in excess of \$30 per acre on an acreage not greater than the acreage actually planted by the borrower to commercial agricultural crops during the year 1934; determination of the said acreage actually planted to such commercial crops, and what constitutes a commercial agricultural crop, shall rest solely with the board of directors. Loans to those engaged in commercial dairying shall be in such amounts as the board of directors, in its sole discretion, may determine. In making loans the board of directors may require such security as may be satisfactory to said board, under the conditions and circumstances existing at the time of making the loan, or loans may be made without security if the board of directors is satisfied that the financial integrity and/or moral responsibility of the borrower so justifies. No loan shall be made for a period of more than 5 years, and all loans shall be upon such rates of interest or discount, and subject to such terms and conditions, including conditions for repayment, as the board of directors may, from time to time, determine. As in this paragraph used the term "board of directors" shall include the executive committee when authorized, by the board, to act for the board of directors.

(j) To do all acts and things necessary or convenient to carry out the powers granted to it by this act.

Sec. 3. Directors and executive committee. The corporation shall consist of a board of directors nominated by the governor and, with the advice and consent of the council, appointed by him; the commissioner of agriculture, ex officio, shall be a member of the board of directors and shall be the chairman thereof. One director shall be appointed from each councillor district and each councillor district shall have one additional director for each \$6,000,000, or fraction thereof, of the 1933 farm value in said district of the principal agricultural products produced in Maine, as determined by the commissioner of agriculture of this state, in excess of \$2,000,000. Each director shall serve for a term of 5 years and until his successor has been elected and qualified. In the event of a vacancy occurring in the office of director, by death, resignation or otherwise, the

governor shall nominate and, with the advice and consent of the council, appoint his successor who shall hold office for the unexpired term. The board shall elect from its membership an executive committee of not more than 5 and may delegate to such executive committee such powers, including the power to lend money, as the board of directors, from time to time, shall determine. Five members of the board of directors shall constitute a quorum for the transaction of business and all action may be taken by vote of the majority of directors present, unless, in any case, the by-laws of the corporation shall require a larger number. Three members of the executive committee shall constitute a quorum of said committee for the taking of any and all action delegated to said committee by the board of directors, and all action of the executive committee may be taken by vote of the majority of the members present, unless, in any case, the by-laws of the corporation, or the vote of the board of directors, shall otherwise require. The board of directors, acting directly or through the executive committee, shall have full authority to manage the business and the property of the corporation and to prescribe, amend and repeal the by-laws, rules and regulations governing the manner in which the general business of the corporation may be conducted and the powers granted to it may be exercised. The board of directors, acting directly or through the executive committee, shall fix and determine the number of officers, agents, employes and servants of the corporation and their respective compensation and duties, and may delegate to one or more of their number, or to one or more of such officers, agents, employes or servants, such powers and duties as it may deem proper. The board of directors, acting directly or through the executive committee, may require bonds in the penal sum of such amounts as it may determine from any and all officers, agents and employes occupying a position or performing duties of responsibility or trust. No director or member of the executive committee shall receive a salary for his services as a director or as a member of said committee. Each director and each member of the executive committee shall be paid his actual expenses, as approved by the council, in the performance of his duties hereunder. Neither the board of directors, the executive committee, nor any member thereof, shall be liable for any debts of the corporation or in any way responsible for the non-payment of any loan or loans made by the corporation to a borrower or borrowers provided such loan or loans shall have been made in good faith.

Sec. 4. Non-application of certain statutes. The authority of the corporation as given by this act shall not be subject to the laws of this state relating to banks and banking or to the making of loans, nor shall the corporation be subject to the jurisdiction of the state bank examiner.

Sec. 5. Appropriation. There hereby is appropriated, out of the contingent fund of the state, the sum of \$5,000, to be paid over to the corporation, at such times and in such amounts as the council may approve, for the purpose of paying the organization and preliminary expenses of the corporation. When said corporation is liquidated, any moneys remaining in its treasury, after payment of all outstanding bills, accounts and obligations, shall be paid over to the treasurer of this state and added to the funds then available for expenditures by the department of agriculture.

Sec. 6. Limitation on liability of state. Nothing contained in the provisions of this act shall, at any time or in any manner, involve the credit and taxing power of the state of Maine, or of any of its political subdivisions; nor shall any of the obligations authorized to be issued in and by this act ever be or constitute obligations of the state of Maine or of any of its political subdivisions; nor shall the state of Maine or any of its political subdivisions ever be liable or responsible, in any way, for the payment of the principal or interest of or on such obligations.

Sec. 7. Constitutionality. If any term or provision of this act shall be declared unconstitutional or invalid in whole or in part by a court of competent jurisdiction, then to the extent that it is not unconstitutional or invalid such term or provision shall be enforced and effectuated, and such determination shall not be deemed to invalidate the remaining terms or provisions hereof.

Sec. 8. Emergency clause. In view of the emergency set forth in the preamble hereof, this act shall take effect when approved.