

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE
ONE HUNDRED AND FOURTEENTH LEGISLATURE
FIRST REGULAR SESSION

December 7, 1988 to July 1, 1989

Chapters 1 - 502

THE GENERAL EFFECTIVE DATE FOR
NON-EMERGENCY LAWS IS
SEPTEMBER 30, 1989

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
1989

PUBLIC LAWS
OF THE
STATE OF MAINE

AS PASSED AT THE
FIRST REGULAR SESSION

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ONE HUNDRED AND FOURTEENTH LEGISLATURE

1989

(8) Notify such persons as the superintendent directs under subsection 7;

(9) Handle claims through its employees or through one or more self-insurers or other persons designated as servicing facilities. Designation of a servicing facility is subject to the approval of the superintendent, but designation of a member self-insurer as a servicing facility may be declined by such self-insurer;

(10) Reimburse each servicing facility for obligations of the association paid by the facility and for expenses incurred by the facility while handling claims on behalf of the association; and

(11) Pay the other expenses of the association authorized by this section.

(a) Establish in the plan of operation a mechanism to calculate the assessments required by subparagraphs (1), (2) and (3) by a simple and equitable means to convert from policy or fund years which are different from a calendar year.

Sec. 16. Allocation. The following funds are allocated from Other Special Revenue funds to carry out the purposes of this Act.

1989-90

**PROFESSIONAL AND FINANCIAL
REGULATION, DEPARTMENT OF**

Bureau of Insurance

All Other	\$31,000
Provides funds for consulting fees and for hearing costs.	

Sec. 17. Effective date. Section 14 of the Act is effective with respect to self-insurers who became members of the Maine Self-Insurance Guarantee Association after October 1, 1981. Any self-insurer member who was not subject to a full assessment for the first 30 months of its membership shall be assessed an amount equal to the difference between the assessments actually paid during its first 30 months and the amount that would have been paid if the self-insurer had been subject to a full assessment for those 30 months. The assessment shall be paid in the time and in the manner determined by the Association. For purposes of the limitation on the size of the fund, set forth in the Maine Revised Statutes, Title 39, section 23-A, subsection 4, paragraph A, subparagraph (3), this assessment shall be considered an initial assessment of a new member self-insurer.

See title page for effective date.

CHAPTER 436

H.P. 844 - L.D. 1176

**An Act to Adapt the Maine Milk Pool Law to
Potential Changes in Milk Pricing**

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

Sec. 1. 7 MRSA §2954, sub-§12 is enacted to read:

12. Adjustments for changes in costs of production. Notwithstanding any other provisions of this section, the commission may only adjust minimum prices to reflect changes in costs of production after posting notice of rule-making in accordance with Title 5, section 8053. The commission may not adjust any minimum price to reflect changes in costs of production under the emergency rule-making provisions of Title 5, section 8054.

Sec. 2. 7 MRSA §3152, sub-§1-A, as enacted by PL 1987, c. 447, §5, is amended to read:

1-A. Base minimum price. "Base minimum price" means ~~such~~ that part of the minimum Class I and Class II prices established by the Maine Milk Commission pursuant to chapter 603 ~~as~~ which corresponds to Class I and Class II prices established pursuant to the New England Milk Marketing Order, ~~excluding any amounts established by the Maine Milk Commission to reflect the increased costs of production pursuant to section 2954, subsection 2, paragraph A.~~

Sec. 3. 7 MRSA §3152, sub-§1-B is enacted to read:

1-B. Adjusted base minimum price. "Adjusted base minimum price" means that part of the minimum Class I and Class II prices established by the Maine Milk Commission pursuant to chapter 603 which corresponds to Class I and Class II prices established pursuant to the New England Milk Marketing Order, plus any amounts established by the Maine Milk Commission to reflect the increased costs of production pursuant to section 2954, subsection 2, paragraph A.

Sec. 4. 7 MRSA §3152, sub-§8-A, as enacted by PL 1987, c. 447, §5, is amended to read:

8-A. Over-order premium. "Over-order premium" means ~~such~~ that part of the minimum Class I and Class II prices established by the Maine Milk Commission pursuant to chapter 603, ~~as~~ which exceeds the applicable Class I and Class II prices established pursuant to the New England Milk Marketing Order as adjusted to reflect the increased costs of production pursuant to section 2954, subsection 2, paragraph A.

Sec. 5. 7 MRSA §3153, sub-§2, ¶¶A and B, as amended by PL 1987, c. 447, §6, are further amended to read:

A. Effective June 1, 1984, each Maine market dealer shall, on a monthly basis, calculate for its Maine market producers the amount of payment at the adjusted base minimum price that would be payable to its Maine market producers according to the blend price calculated using that dealer's utilization rate, and the amount of payment at the base minimum price that would be due its Maine market producers according to the blend price calculated using the applicable utilization rate for the New England Milk Marketing Order. Each Maine market dealer shall make an initial payment at the base minimum price to its Maine market producers according to the blend price calculated using the Federal Milk Order utilization rate, but shall comply in all other respects with chapter 603. Any additional payment at the adjusted base minimum price that would be due its Maine market producers pursuant to that dealer's applicable utilization rate shall be made to the Maine Milk Pool. Based on the fact that northern Maine market producers presently operate at significantly higher costs because of their remoteness from markets and supplies, that they face greater risks because they operate on a closer margin and because their markets are less secure, payments to the Maine Milk Pool at the adjusted base minimum price attributable to northern Maine market producers shall be reduced by 1/2 and those producers' initial payments under this section shall be increased by the corresponding amounts. The commissioner shall adopt by rule such procedures as are necessary to implement this section.

B. For any month in which the amount of money payable to producers at the adjusted base minimum price at a dealer's utilization rate would be less than the amount of money payable to that dealer's producers at the base minimum price based upon the Boston market utilization rate, the dealer may deduct the difference from ~~his~~ the next month's initial payment to producers at the base minimum price. Upon the termination of their business relationship, producers shall be liable to dealers for all sums advanced under this paragraph which have not been recouped by way of deduction.

read: **Sec. 6. 7 MRSA §3153, sub-§2, ¶E** is enacted to

E. For any month in which the Maine Milk Commission has included in Class I or Class II prices any amounts to reflect the increased costs of production pursuant to section 2954, subsection 2, paragraph A, those amounts shall be paid into the Maine Milk Pool for redistribution to eligible Maine and Boston market producers on an equal basis.

See title page for effective date.

CHAPTER 437

H.P. 614 - L.D. 837

An Act to Create a Northeast Interstate Dairy Compact

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

7 MRSA §2953-A, sub-§4-A is enacted to read:

4-A. Northeast Interstate Dairy Compact. To enter into the Northeast Interstate Dairy Compact.

A. Maine's representatives to the Northeast Interstate Dairy Compact shall be as follows:

- (1) The commissioner or designee;
- (2) The chair of the Maine Milk Commission or designee; and
- (3) An agricultural economist nominated by the dean of the College of Food, Agriculture and Applied Science of the University of Maine and appointed by the Governor.

B. The Maine Milk Commission shall enter into the Northeast Interstate Dairy Compact. If the compact recommends a minimum price that is higher than the minimum price established by the commission, the commission shall consider and may adopt the compact's recommendation as the minimum price set by the commission.

C. The Northeast Interstate Dairy Compact may establish rules using the procedures outlined in the Federal Administrative Procedure Act and may proceed under emergency rule-making provisions without making findings of emergency.

D. This subsection shall not take effect until the Northeast Interstate Dairy Compact is enacted by 3 other states and approved by the Congress of the United States.

See title page for effective date.

CHAPTER 438

H.P. 443 - L.D. 608

An Act to Increase the Price Farmers Receive for Milk

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