

MAINE STATE LEGISLATURE

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EIGHTH REVISION

THE
REVISED STATUTES

OF THE
STATE OF MAINE

PASSED SEPTEMBER 20, 1944, AND TAKING EFFECT
DECEMBER 30, 1944

VOLUME I



By the Authority of the Legislature

AUGUSTA
KENNEBEC JOURNAL PRINT

trict for all administrative and other expenses of the district under the provisions of this chapter and for all administrative and other expenses of the board of adjustment established or to be established by such district.

II. Seventy-five per cent of all moneys which may be appropriated to pay the administrative and other expenses of soil conservation districts shall be allocated by the committee among all the districts organized, or to be organized, within the ensuing biennial fiscal period, under the provisions of this chapter, in direct proportion to the total acreage of land within each district. The remaining 25% of said moneys shall be allocated by the state committee among the districts on such basis of allocation as shall be fair, reasonable, and in the public interest, giving due consideration to the greater relative expense of carrying on operations within the particular districts because of such factors as unusual topography, unusual severity of erosion, special difficulty of carrying on operations, special volume of work to be done, and the special importance of instituting erosion control operations immediately. In making such allocations of such moneys, the committee shall retain an amount estimated by it to be adequate to enable it to make subsequent allocations in accordance with the provisions of this section from time to time among districts which may be organized after the initial allocations are made, but within the ensuing biennial fiscal period.

Sec. 11. Expenditures provided for. 1943, c. 339. From the amount appropriated for the department of agriculture, the sum of \$250 per year may be expended by the state soil conservation committee in carrying out their duties under the provisions of this chapter.

From the amount appropriated for the department of agriculture, the sum of \$2,750 per year may be expended by the state soil conservation committee for its use in accordance with the provisions of section 10.

These sums shall not lapse but shall be carried forward as continuing accounts to be used only for the purposes set forth herein.

Sec. 12. Short title. 1941, c. 105, § 13. This chapter may be known and cited as the "Soil Conservation Districts" law.

CHAPTER 30.

FARM LANDS LOAN ACT.

Sec. 1. Principal and income reserved lands made separate funds. R. S. c. 58, § 1. All moneys on deposit in the state treasury on account of lands reserved for public uses which constituted the principal fund of such account on the 1st day of January, 1918, and all amounts credited to the same under the provisions of sections 37 and 38, of chapter 32, shall remain separate funds, the principal sum of which shall continue undiminished, except when payments shall be made therefrom to towns under the provisions of section 39 of chapter 32, or when invested in securities according to the provisions of this chapter.

Sec. 2. Farm lands loan commissioners of Maine; composition of board, powers, and duties. R. S. c. 58, § 2. 1943, c. 303. The state auditor, the bank commissioner, the forest commissioner, the commissioner of agriculture, and the

commissioner of education shall constitute a board to be known as the farm lands loan commissioners of Maine. Said commissioners shall have control of the investment of the funds arising from the sale or lease of public lands now on deposit in the state treasury and known as the reserved land fund. They shall also have control of the investment of amounts hereafter added to the principal fund of said account under the provisions of section 35 of chapter 32. They may make investigations concerning the rights of the state in and to any islands or other lands and may report to any future session of the legislature their recommendations relative to securing such lands as the state is or may hereafter be entitled to, and may recommend the sale of the same if they deem a sale advisable.

Sec. 3. How commissioners may invest funds. R. S. c. 58, § 3. 1941, c. 58. The said commissioners shall in their discretion invest the principal of the funds which have arisen or may hereafter arise from the sale and lease of the lands reserved for public uses, keeping the principal funds separate from the interest, as follows:

I. In accordance with the laws of the state governing the investment of the funds of savings banks as enumerated in subsections I to IX of section 38 of chapter 55, and

II. In approved mortgages on agricultural lands, as provided in this chapter.

Sec. 4. Loans on security of agricultural lands; general provisions. R. S. c. 58, § 5. Loans made from such fund on the security of agricultural lands shall be made in accordance with the following provisions:

I. The commissioners shall from time to time furnish the chairman of the municipal officers of the various cities, towns, and plantations of the state with a sufficient number of blank applications for loans.

II. Each blank application shall contain questions relative to the purpose for which the loan is desired, the residence of the applicant for the loan, his interest in the land offered as security, a detailed description of the boundaries of such land, the assessed and the market value of the same, the nature of the land, and any other matters which the commissioners may deem relevant.

III. Any person desiring a loan may make a request for a blank application for a loan to the chairman of the municipal officers of the town in which the land which it is proposed to offer as security is located and the said chairman shall furnish such person with a blank application and shall advise him as to the proper manner of filing the same.

IV. The applicant for a loan shall take oath before the city, town, or plantation clerk to the truth of the statements made in his application, which application shall thereupon be transmitted to the commissioners at Augusta.

Sec. 5. Town officers to inform commissioners as to value of land, etc. R. S. c. 58, § 6. In addition to the application, the applicant shall also file an abstract of title to the land which the applicant offers as security, which abstract of title shall likewise be transmitted to the farm lands loan commissioners, as aforesaid. In addition to the statements made as above prescribed the commissioners may request such further statements from these or other town officers with respect to the value of the land offered as security for a loan and the truth of the statements made by the applicant in his application as may reasonably

be in their power as town officers to make and all such officers shall comply with their requests, when made, without compensation.

Sec. 6. Conditions under which loans may be granted; amount; rate of interest; payment; purposes; fund available; expiration, etc. R. S. c. 58, § 7. The commissioners shall meet twice monthly whenever one or more applications for loans are awaiting consideration, or oftener in their discretion, to consider applications and they shall consider and dispose of all applications in the order in which such applications were received. The commissioners may grant applications for loans for which sufficient security as herein required is offered, subject to the approval of the attorney-general of the title of the land offered as security. The commissioners may grant applications for the full amount asked, or when they consider the security offered to be inadequate, they may reduce the amount of the loan to a sum for which they deem the security to be adequate.

The commissioners shall require as security for every farm loan a 1st mortgage on farm real estate of a market value at least double the amount of the loan.

No loan shall be granted to any person who is not an actual resident of this state and a bona fide occupant of the land offered as security.

No loan shall be granted upon any land on which the market value is less than \$10 per acre.

No loan of less than \$300 or more than \$10,000 shall be made to any one person, and no person shall be granted separate loans aggregating more than \$10,000.

The reserved land fund, not invested, shall be set aside for loans made under the provisions of this section, or for any of the purposes set forth in section 3.

Loans shall be granted only for the purpose of assisting the borrower to erect necessary dwelling-houses and farm buildings, to build silos, clear his land of forest growth, for the purchase of live stock and farm machinery, and for any other legitimate agricultural purpose, and also to refund an existing mortgage.

The borrower shall pay a charge of 5% per year, payable semi-annually, for the use of the loan from the date of the loan and thereafter so long as the loan remains unpaid, and shall assign to the state, so far as its interests may appear, any policy of insurance upon buildings on any property mortgaged under the provisions of this chapter during the lifetime of the mortgage. All loans shall be made for a term of not less than 1, nor more than 20 years, but the principal of the loan, in whole or in part, at the option of the borrower may be paid on any interest date occurring not less than 1, nor more than 19 years, after the date of the loan, and in any event the whole shall be payable in 20 years, and when partial payments are made, the semi-annual charge of 5% per year shall be made only upon the unpaid balance of the principal of the loan.

Sec. 7. Transactions to be conducted through a bank selected by applicant; specific provisions; commissioners may cause land to be examined; may refuse entire loan or may grant reduced amount. R. S. c. 58, § 8. The commissioners shall loan to borrowers in accordance with the following provisions:

I. Every applicant for a loan shall select a bank to receive deposits of the money loaned to him by the commissioners.

II. When the commissioners grant a loan they shall deposit in the bank selected by the applicant for the loan a sum of money equal to the amount of the loan granted and shall furnish the bank with the mortgage and notice necessary to the proper securing of the loan, prepared ready for the signature of

the applicant for the loan, and the bank shall agree to hold the sum of money so deposited until directed by the commissioners to pay it to the applicant for the loan or to dispose of it in some other manner directed by the commissioners; the bank shall further agree to record the mortgage with the proper registry of deeds and to return the papers to the commissioners without charge to the commissioners or to the borrower, except that the bank may require the borrower to pay the fee charged by the register of deeds for recording the mortgage together with any sums paid for revenue stamps as may be required by law, and the amount necessary to reimburse the commissioners for sums paid for examination of the land, and of record of title.

III. Before authorizing the bank of deposit selected by the applicant for a loan to make payment to him of the amount of his loan, the commissioners shall cause an examination of the land offered as security by the applicant for the loan to be made by some competent person.

If the commissioners are satisfied, upon receipt of the report of the person examining the land offered as security, that the land is of a value at least equal to that accepted as a true value by the commissioners in granting the loan, they shall direct the bank in which they have deposited the amount of the loan to pay a sum equal to this amount to the applicant for the loan. If the commissioners are not satisfied that the land offered as security for the loan is of a value equal to that accepted by them as a true value in granting the loan, they may, as justice demands, refuse altogether to pay the loan to the applicant or they may reduce the amount of the loan to a sum for which the security offered is adequate and may give the bank selected by the applicant appropriate directions for the disposal of the funds deposited with it for the payment of the loan in question.

Sec. 8. Commissioner of agriculture secretary of board; to institute proceedings on overdue payments. R. S. c. 58, § 9. 1939, cc. 70, 300. The commissioner of agriculture shall act as secretary of said commissioners and he shall keep a record of all bonds, mortgages, and notes securing the same taken under authority of this chapter, showing all necessary information relative to the bonds taken, the name of the mortgagor, the amount of the mortgage, when executed, when and where payable, the rate of interest, and any other matters that he may deem essential, and he is hereby authorized and required in the name of the state to institute and prosecute proceedings, by any of the methods provided by law of foreclosure when any sums are overdue on notes taken hereunder; and he is further authorized on recommendation of the commissioners to sell and convey in the name and on behalf of the state the interest of the state in property acquired by foreclosure under the provisions of this section, and the net proceeds of such sale shall be credited to the fund from which such mortgage loan was originally made. Whenever the title to any property mortgaged under the provisions of this chapter shall have been acquired by the state, either by foreclosure of said mortgage or by conveyance, the commissioners may pay out of interest on the reserved land fund to the town or plantation in which such property is situated such sum as may be determined as hereinafter provided toward compensating said town or plantation for the loss of taxes on such property. The amount of said payment shall be determined by the commissioner of agriculture, the state tax assessor, and the attorney-general, and in determining said amount said state officials shall take into consideration the amount of income, if any, derived by the state from any lease or tenancy of said property, the expense incurred by said town in opening and maintaining highways to said prop-

erty, the number of pupils, if any, who are residing on said property and attending the public schools of said town or plantation and the cost of transporting them to and from such schools, which amount to be paid shall not in any one year exceed the revenue derived by said town or plantation from its tax on said property during the year preceding acquisition of title thereto by the state. All expenses incidental to or connected with the carrying out of the provisions of this chapter shall be paid from the reserved land fund.

Sec. 9. Commissioners, attorney-general, and assistant to receive no additional compensation. R. S. c. 58, § 10. The officers constituting the farm lands loan commissioners shall receive no additional compensation on account of said services, but shall be paid their actual and reasonable expenses necessarily incurred in the performance of their duties under the provisions of this chapter. The attorney-general and his assistant shall serve said board without additional compensation.

Sec. 10. Commissioners to pay to plantations accrued interest due. R. S. c. 58, § 11. The farm lands loan commissioners are authorized and directed to pay to plantations all accrued interest due such plantations so far as may be possible under existing provisions of law from the reserved land fund.

CHAPTER 31.

THE COOPERATIVE MARKETING ACT.

Sec. 1. Declaration of policy. R. S. c. 59, § 1. The purposes of this chapter are to promote, foster, and encourage the intelligent and orderly marketing of agricultural products through cooperation; and to eliminate speculation and waste; and to make the distribution of agricultural products between producer and consumer as direct as can be efficiently done; to stabilize the marketing of agricultural products; and to provide for the organization and incorporation of cooperative marketing associations for the marketing of such products.

Sec. 2. Definitions. R. S. c. 59, § 2. As used in this chapter, the following words and phrases, unless the context clearly indicates otherwise, shall have the following meaning:

I. "Agricultural products" includes horticultural, viticultural, forestry, dairy, live stock, poultry, bee, and any farm products.

II. "Member" includes actual members of associations without capital stock and holders of common stock in associations organized with capital stock.

III. "Association" means any corporation organized under the provisions of this chapter; and shall include all similar associations, foreign or domestic, operating within this state, either de jure or de facto.

IV. "Person" includes individuals, firms, partnerships, corporations, and associations.

V. Associations organized hereunder shall be deemed "non-profit," inasmuch as they are not organized to make profit for themselves, as such, or for their members, as such, but only for their members as producers.