

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Ensure Fair Business Competition in Agriculture

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

Sec. 1. 10 MRSA §1203, sub-§6 is amended to read:

6. Charitable purposes. ~~Where~~When merchandise is advertised or offered for sale or sold for charitable purposes, ~~except as provided in section 1204-B,~~ or to relief agencies;

Sec. 2. 10 MRSA §1204-B is enacted to read:

§ 1204-B. Sales by publicly funded nonprofit agricultural organization

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings.

A. "Directly competes" means providing the same or substantially the same product or service, or both, within a 10-mile radius of another organization.

B. "Publicly funded nonprofit organization" means an institution or organization having a place of business in this State that:

(1) Is exempt from federal income taxation under the United States Internal Revenue Code, Section 501(a) because the institution or organization is described in the United States Internal Revenue Code, Section 501(c)(3); and

(2) Receives at least 20% of its budget from state or federal funding.

2. Prohibition. A publicly funded nonprofit organization may not engage in an agricultural business that directly competes with another business that is not a nonprofit organization.

3. Exemption. This section does not apply to isolated transactions made by a publicly funded nonprofit organization that are not in the usual course of business for that organization or to an educational institution that provides instruction in agricultural activities as part of its curriculum.

SUMMARY

This bill prohibits a publicly funded nonprofit organization that receives at least 20% of its budget from federal or state funding, not including an educational institution, from engaging in an agricultural business, on a regular basis, that directly competes with a business that is not a publicly funded nonprofit organization.