

STATE OF MAINE

—

IN THE YEAR OF OUR LORD
TWO THOUSAND AND THIRTEEN

—

H.P. 9 - L.D. 5

An Act To Make Changes to the Potato Marketing Improvement Fund

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

Sec. 1. 5 MRSA §12004-H, sub-§10-A is enacted to read:

10-A.

Potato Marketing Improvement
Fund Committee

Expenses Only

7 MRSA §972-B

Sec. 2. 7 MRSA §970 is enacted to read:

§970. Definitions

As used in this article, unless the context otherwise indicates, the following terms have the following meanings.

1. Board. "Board" means the Maine Potato Board established in Title 36, section 4603.

2. Committee. "Committee" means the Potato Marketing Improvement Fund Committee under section 972-B.

3. Fund. "Fund" means the Potato Marketing Improvement Fund established in Title 10, section 1023-N.

Sec. 3. 7 MRSA §972-A, as enacted by PL 2005, c. 335, §3, is repealed.

Sec. 4. 7 MRSA §972-B is enacted to read:

§972-B. Potato Marketing Improvement Fund Committee

1. Members. The Potato Marketing Improvement Fund Committee, as established in Title 5, section 12004-H, subsection 10-A, consists of:

- A. The commissioner or the commissioner's designee; and
- B. Six members appointed by the board, 2 of whom must represent the processing sector of the potato industry, 2 of whom must represent the seed sector of the potato industry and 2 of whom must represent the tablestock sector of the potato industry.

2. Duties. The committee shall:

- A. Advise the board on the development and implementation of programs and activities that improve the economic viability of the potato industry;
- B. Advise the board concerning the funding and expenditures of the fund; and
- C. Make recommendations to the board on authorized uses of the fund and activities relating to the fund other than activities relating to the processing of loan applications or the servicing and administration of loans.

Sec. 5. 7 MRSA §973-A, as enacted by PL 2001, c. 125, §3, is amended to read:

§973-A. Administration of Potato Marketing Improvement Fund

The ~~commissioner~~ board shall administer the ~~Potato Marketing Improvement Fund established under Title 10, section 1023-N~~ fund.

Sec. 6. 7 MRSA §974-A, sub-§1, ¶D, as amended by PL 2005, c. 335, §4, is further amended to read:

- D. Other terms and conditions prescribed by rule by the ~~commissioner~~ board upon consultation with the ~~board~~ committee.

Sec. 7. 7 MRSA §974-A, sub-§2, as amended by PL 2001, c. 125, §4, is further amended to read:

2. State loan interest rate. The interest rate for state loans is 5%. Loans current on April 21, 1988 must be renegotiated to an interest rate of 5%.

A fee for administrative costs, which must be at a rate set by rule by the ~~commissioner~~ board ~~upon consultation with the Potato Marketing Improvement Committee~~ but that may not exceed 1% of the loan, must be charged on all loans made for projects; the total cost of which exceeds \$50,000. This fee must be deposited in the ~~Potato Marketing Improvement Fund~~ fund.

Sec. 8. 7 MRSA §974-A, sub-§3 is enacted to read:

3. Approval of loans and grants. The commissioner has authority to approve all loans and grants from the fund.

Sec. 9. 7 MRSA §976, as amended by PL 2005, c. 335, §6, is further amended to read:

§976. Aroostook County office

The ~~department board~~ shall maintain or arrange for the maintenance of an office in Aroostook County located in a town most convenient to the largest number of potential users of the ~~Potato Marketing Improvement Fund and sufficiently close to any local office of the board as to foster a close working relationship and provide a convenience to farmers who wish to visit both agencies fund~~. This office must be staffed by one or more business development specialists ~~whose responsibilities are primarily responsible for work associated with the fund as well as other activities as defined by the department board~~. The business development specialists ~~shall~~ must be available in the Aroostook County office on a regular basis.

Should the performance of the functions of the business development specialists be contracted for, this contract must be made by the ~~agency managing the fund board~~ and must be awarded through competitive bidding.

Sec. 10. 7 MRSA §977, as enacted by PL 2001, c. 125, §5, is amended to read:

§977. Potato Marketing Improvement Fund Operating Account

There is established a Potato Marketing Improvement Fund Operating Account. This account draws funds from the ~~Potato Marketing Improvement Fund established in Title 10, section 1023-N fund~~ on a periodic basis to be determined by the ~~department board~~ to cover the costs of administering the fund and any grants made.

Sec. 11. 10 MRSA §1023-N, first ¶, as amended by PL 2005, c. 335, §7 and PL 2011, c. 657, Pt. W, §6, is further amended to read:

There is created a fund known as the Potato Marketing Improvement Fund, referred to in this section as "the "fund." The fund must be deposited with and maintained by the authority to be used solely for investment in the Maine potato industry. The fund must be administered by the ~~Commissioner of Agriculture, Conservation and Forestry in accordance with Title 7, chapter 103, subchapter 10~~ Maine Potato Board, established in Title 36, section 4603 and referred to in this section as "the board," and the Potato Marketing Improvement Fund Committee, established in Title 5, section 12004-H, subsection 10-A. All money received by the authority from any source for the development and implementation of improved storage, packing and marketing and programs and activities that improve the economic viability of the potato industry must be credited to the fund. Any money credited to the fund from the issuance of bonds on behalf of the State for agricultural development may be used only for the purposes of state loans as prescribed by Title 7, section 974-A to provide assistance to potato farmers for the design, construction, improvement, support and operation of storage, packing and marketing facilities; for programs and activities that improve the economic viability of the potato industry; and to pay the administrative costs of processing loan applications and servicing and administering the fund and loans and grants made therein, to the extent that the costs exceed the fee for administrative costs established by Title 7, section 974-A, subsection 2. At the discretion of the Commissioner of Agriculture, Conservation and Forestry, the authority shall make payments directly to the board, which shall use those payments to implement the requirements of this section. During any period that the

commissioner has authorized direct payments from the authority to the board, the authority shall make written annual reports to the commissioner and the joint standing committee of the Legislature having jurisdiction over agriculture, conservation and forestry matters detailing the amounts of payments to the board and the dates payments were made and detailing the expenditure of those payments. Repayment of ~~these~~ the loans and interest on the loans must be credited to the fund to be available for making additional state loans for the same purposes, except that any interest earned on the cash balance of the fund may be used for the grants authorized by Title 7, section 975-A. In order to provide additional amounts for loans, the ~~Commissioner of Agriculture, Conservation and Forestry~~ commissioner, ~~at the commissioner's discretion upon consultation with the board~~, may take such actions and enter into such agreements as may be necessary to sell or assign up to \$2,000,000 in the aggregate principal amount of loans and undivided interests in a pool of loans and assign or pledge any mortgage or other security to the authority, under the terms and conditions the commissioner considers advisable upon consultation with the board. The assignment and related transactions may not result in indebtedness of the State. The proceeds of the sale or assignment must be credited to the fund and used for the purposes authorized in this section.

Sec. 12. 10 MRSA §1023-N, 2nd ¶, as enacted by PL 2001, c. 125, §6 and amended by PL 2011, c. 657, Pt. W, §5, is further amended to read:

A purchaser of a modern storage facility that was previously financed with a state loan from the fund may receive a loan under the conditions of this section. Mortgages obtained from the fund may be assumed by subsequent purchasers of the property. The ~~Department of Agriculture, Conservation and Forestry~~ board shall adopt rules concerning the purchase of existing buildings.