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THE MAINE SENATE
132nd Legislature

3 State House Station
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**Joint Standing Committee on Housing and Economic Development on
LD 1733, An Act to Provide Reduced Interest Rates for Logging and Fishing
Operations
May 12, 2025**

Senator Curry, Representative Gere, and honorable colleagues of the Joint Standing Committee on Housing and Economic Development: I am Senator Rick Bennett of Oxford, and I have the honor of serving 14 communities in Western Maine in the State Senate. I am proud to sponsor LD 1733, "An Act to Provide Reduced Interest Rates for Logging and Fishing Operations."

I introduced LD 1733 in direct response to the mounting economic pressures facing two of Maine's most iconic and foundational industries: logging and fishing. This bill is about more than reacting to immediate challenges—it is about creating a sustainable, long-term path forward for the next generation of Maine workers who depend on these trades.

LD 1733 establishes a low-interest loan program, capped at 2%, through the Finance Authority of Maine (FAME). This program will help commercial timber harvesters and fishermen access affordable capital to invest in the modern, efficient harvesting equipment they need to stay competitive. It mirrors existing state-backed support for farmers (the Agriculture Marketing Loan Fund and the Maine Farms for the Future initiative) and extends that same opportunity to our loggers and fishermen. This is about fairness and parity for Maine's heritage industries.

The need is urgent. Our loggers and fishermen are being hit from all sides—rising costs, unstable markets, and the ongoing impacts of climate change. Equipment costs alone have skyrocketed:

- Up 20% in just the past few months, partially due to tariffs,
- 50% in the past five years, and
- 100% since the federal Tier 4 engine mandates of 2014.

At the same time, expenses for labor, fuel, and insurance continue to climb. And for many workers in these sectors, the increases are unsustainable. Without a meaningful way to reinvest in their operations, Maine's heritage businesses risk falling behind—or closing altogether.

This is where LD 1733 comes in. The bill creates a revolving loan fund that returns all principal and interest payments back into the program. It's a self-sustaining solution that offers long-term impact with just an initial investment.

By capping interest rates at 2%, we can give business owners the predictability they need to make sound financial decisions and invest in environmentally responsible equipment. This bill will help preserve jobs, improve productivity, and strengthen local economies throughout Maine's rural communities.

LD 1733 is good economic policy and will be a lifeline for industries that have defined Maine's identity and economy for centuries. It's a tool to help Maine's hardworking loggers and fishermen adapt, compete, and thrive in a rapidly changing world.

Attached to my testimony, please find a draft amendment offered by Bill Norbert from FAME. I am supportive of these changes and encourage the committee to incorporate them.

I urge you to vote "ought to pass as amended" on LD 1733 to support Maine's heritage industries. Thank you for your time. I would be happy to answer any questions.

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

2 Sec. 1. 10 MRSA §1023-Q is enacted to read:

3 §1023-0. Improvements to Logging and Fishing Enterprises Loan Program

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

6 A. "Fishing enterprise" means any enterprise directly or indirectly concerned with the
7 commercial harvest of wild or aquacultured marine organisms whose primary source
8 of income is derived from such harvesting. "Fishing enterprise" includes licensed
9 persons who fish commercially, aquaculturists and cooperatives for persons who fish
10 commercially.

11 B. "Fund" means the Improvements to Logging and Fishing Enterprises Loan Fund.

12 C. "Logging enterprise" means a person who qualifies as an independent contractor
13 under Title 26, section 1 043, subsection 11, paragraph E and who is engaged in
14 harvesting or hauling trees from forest land for a forest landowner.

15 2. Program authorized. In accordance with this section, the authority shall establish
16 and oversee the Improvements to Logging and Fishing Enterprises Loan Program to
17 increase the availability of capital by financing loans to a logging enterprise or fishing
18 enterprise.

19 3. Improvements to Logging and Fishing Enterprises Loan Fund. The

20 Improvements to Logging and Fishing Enterprises Loan Fund is established within the authority. The authority
may receive, invest and expend on behalf of the fund money from gifts, grants, bequests, loans and donations in
addition to money appropriated or allocated by the State. Deposits to

21 the fund must be made to and maintained by the authority. Any money credited to the fund
22 ~~from the issuance of bonds on behalf of the State~~ may be used to finance loans only to an
23 eligible logging enterprise or fishing enterprise for the purposes set forth in subsection 4.
24 Repayment of these loans and interest on these loans must be credited to the fund. Interest
25 earned on money in the fund and interest earned on loans made from the fund may be used
26 to pay the administrative costs of processing loan applications and servicing and
27 administering the fund and loans.

28 4. Purposes of loans. A loan under this section may be made only for the following
29 purposes:

30 A. To provide assistance to an existing logging enterprise or fishing enterprise in this
31 State for the purchase of capital equipment used in commercial harvesting;

32 B. For the purchase of new or used equipment used in commercial harvesting in
33 connection with an existing logging enterprise or fishing enterprise;

34 C. For refinancing existing loans used to finance eligible uses as described in this
35 subsection; or

36 D. If the authority approves at the time of loan insurance commitment, to pledge money
37 in the fund as security for, and to apply money in the fund to, payment of principal,
38 interest and other amounts due on any term loans insured by the authority to an eligible
39 logging enterprise or fishing enterprise.

40 5. Conditions. Logging enterprise and fishing enterprise loans are subject to the
41 following conditions.

1 A. A loan for any project under this section, the total cost of which exceeds \$200,000,
2 may not exceed 90% of the total cost of the project. A loan from the fund may not be
3 provided for such a project unless the applicant demonstrates a commitment of private
4 funds of at least 5% of the total cost of the project; except that, in order to encourage
5 the undertaking of cooperative projects by 2 or more logging enterprises or fishing
6 enterprises, a loan may not be provided unless the cooperating logging enterprises or
7 fishing enterprises as a group demonstrate a commitment of private funds of at least
8 5% of the total cost of the project.

9 B. A loan for any project under this section, the total cost of which is \$200,000 or less,
10 may not exceed 90% of the total cost of the project.

11 C. A loan must be at the interest rate established pursuant to subsection 6.

12 6. Interest rate. The interest rate for loans under this section is the federal prime rate
13 on the date of loan commitment but may not be greater than 2%. A loan current on the
14 effective date of this subsection may be refinanced at the borrower's request to an interest
15 rate of the federal prime rate but not greater than 2%.

16 7. Administrative costs. The authority may charge the fund for its reasonable
17 administrative costs, not to exceed 34% annually of the fund balance, for administration of
18 the fund.

19 8. Report. The authority shall include information on the program as part of its overall annual report to the
20 Legislature, 10 MRSA Section 974, a copy of which must be provided to the ~~submit an annual report on or before~~
March 1st to the

joint standing committees of the Legislature having jurisdiction over logging and fishing
21 enterprise matters. ~~The information report~~ must include a summary of loans made under this section
22 during the previous fiscal year and loans outstanding categorized by the types of enterprises
23 receiving the loans. The report must address the effectiveness of the program.
24 Effectiveness measures may include, but are not limited to, evaluation of the number of
25 logging enterprises or fishing enterprises retained, expanded or created; the increase in the
26 number of jobs created or retained; any increased business revenues and new capital raised;
27 improved wages paid to employees; and any new capital investment and increase in
28 profitability.

29 9. Rules. The authority may adopt rules as necessary to implement this section. Rules
30 adopted pursuant to this subsection are routine technical rules as defined in Title 5,
31 chapter 375, subchapter 2-A.

32 SUMMARY

33 This bill establishes the Improvements to Logging and Fishing Enterprises Loan
34 Program within the Finance Authority of Maine to increase the availability of capital by
35 financing loans to logging and fishing enterprises in this State. The interest rate for loans
36 made under the program may not exceed 2%.