

§435. Agricultural marketing loans

1. Administration. The commissioner shall administer the Agricultural Marketing Loan Fund established under Title 10, section 1023-J.

[PL 1995, c. 658, §1 (NEW).]

2. Conditions. Agricultural marketing loans are subject to the following conditions.

A. An agricultural marketing loan for any project under this subchapter, the total cost of which exceeds \$200,000, may not exceed 90% of the project cost. A loan from the fund may not be provided for such a project unless the applicant demonstrates a commitment of private funds of at least 5% of the total cost of the project; except that, in order to encourage the undertaking of cooperative projects by 2 or more agricultural enterprises, an agricultural marketing loan may not be provided unless the cooperating agricultural enterprises as a group demonstrate a commitment of private funds of at least 5% of the total cost of the project. [PL 2021, c. 710, §5 (AMD).]

B. An agricultural marketing loan for any project under this subchapter, the total cost of which is \$200,000 or less, may not exceed 90% of the total cost of the project. [PL 2021, c. 710, §6 (AMD).]

C. An agricultural marketing loan must be at the interest rate established pursuant to subsection 3 or 3-A. [PL 2007, c. 660, §10 (AMD).]

D. A purchaser of a modern storage facility that was previously financed with a state loan from the Potato Marketing Improvement Fund may receive a loan from the Agricultural Marketing Loan Fund, but not for the same project financed by the Potato Marketing Improvement Fund. Mortgages obtained from the Agricultural Marketing Loan Fund may be assumed by subsequent purchasers of the property. The department shall adopt rules concerning the purchase of existing buildings. These rules must include provisions that ensure that the purchases are consistent with the purposes of this subchapter. [PL 1995, c. 658, §1 (NEW).]

E. An agricultural marketing loan is subject to other terms and conditions prescribed, by rule, by the commissioner, including, but not limited to, a mechanism for reserving funds for, or giving priority to, projects in agricultural enterprises or areas of the State determined by the commissioner to require special assistance. When considering loans for aquacultural enterprises, the commissioner shall consult with the Department of Marine Resources. [PL 1995, c. 658, §1 (NEW).]

F. [PL 1999, c. 533, §1 (NEW); MRSA T. 7 §435, sub-§2, ¶ F (RP).]

G. [PL 2007, c. 660, §11 (RP).]

G. **(REALLOCATED TO T. 7, §435, sub-§2, ¶H)** [RR 1999, c. 2, §6 (RAL); PL 1999, c. 769, §5 (NEW).]

H. **(REALLOCATED FROM T. 7, §435, sub-§2, ¶G)** [RR 1999, c. 2, §6 (RAL); MRSA T. 7 §435, sub-§2, ¶ H (RP).]

I. [PL 2003, c. 168, §2 (NEW); MRSA T. 7 §435, sub-§2, ¶ I (RP).]
[PL 2021, c. 710, §§5, 6 (AMD).]

3. Interest rate.

[PL 2021, c. 710, §7 (RP).]

3-A. Loans for participants in the Maine Farms for the Future Program. The interest rate for loans for capital improvements identified in a business plan developed under section 318 for a farm determined eligible under section 319 is the federal prime rate on the date of loan commitment but may not be greater than 2%.

[PL 2021, c. 710, §8 (AMD).]

3-B. Interest rate. Except as provided in subsection 3-A, the interest rate for loans under this section is the federal prime rate on the date of loan commitment but may not be greater than 5%. Loans current on the effective date of this subsection may be refinanced at the borrower's request to an interest rate of the federal prime rate but not greater than 5%.

[PL 2021, c. 710, §9 (NEW).]

4. Administrative costs. The commissioner may establish, by rule, a fee for administrative costs on loans in excess of \$100,000. This fee may not exceed 1% of the loan. The commissioner may contract with the Finance Authority of Maine to assist in the administration of this subchapter.

[PL 2003, c. 168, §3 (AMD).]

5. Report. The commissioner shall submit an annual report on or before March 1st of each year to the joint standing committee of the Legislature having jurisdiction over agricultural matters. The report must include a summary of loans made under this section during the previous fiscal year and loans outstanding categorized by the types of agricultural enterprises receiving the loans. The report must address the effectiveness of the program. Effectiveness measures may include, but are not limited to, evaluation of the number of companies retained, expanded or created; the increase in the number of jobs created or retained; any increased business revenues and new capital raised; improved wages paid to employees; and any new capital investment and increase in profitability.

[PL 2013, c. 256, §2 (AMD).]

SECTION HISTORY

PL 1995, c. 658, §1 (NEW). RR 1999, c. 2, §6 (COR). PL 1999, c. 533, §1 (AMD). PL 1999, c. 593, §1 (AMD). PL 1999, c. 769, §5 (AMD). PL 2003, c. 168, §§1-3 (AMD). PL 2007, c. 660, §§10-14 (AMD). PL 2013, c. 256, §2 (AMD). PL 2021, c. 710, §§5-9 (AMD).

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