

By: Senator(s) Thames, Harvey, Stogner

To: Agriculture

SENATE BILL NO. 2573
(As Passed the Senate)

1 AN ACT TO BRING FORWARD SECTIONS 69-41-1 THROUGH 69-41-13,
2 MISSISSIPPI CODE OF 1972, WHICH CREATE THE MISSISSIPPI
3 AGRIBUSINESS COUNCIL AND PRESCRIBE ITS POWERS AND DUTIES; TO AMEND
4 SECTION 69-41-19, MISSISSIPPI CODE OF 1972, TO REVISE THE
5 MEMBERSHIP OF THE AGRICULTURE DEVELOPMENT COMMITTEE; TO AMEND
6 SECTION 69-2-13, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE
7 MISSISSIPPI BUSINESS FINANCE CORPORATION TO MAKE CERTAIN FUNDS
8 AVAILABLE FROM THE EMERGING CROPS FUND TO THE SMALL FARM
9 DEVELOPMENT CENTER AT ALCORN STATE UNIVERSITY TO SUPPORT A
10 COOPERATIVE PROGRAM FOR AGRIBUSINESS DEVELOPMENT IN MISSISSIPPI;
11 AND FOR RELATED PURPOSES.

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

13 SECTION 1. Section 69-41-1, Mississippi Code of 1972, is
14 brought forward as follows:

15 69-41-1. This chapter shall be known and may be cited as the
16 "Mississippi Agribusiness Council Act of 1993."

17 SECTION 2. Section 69-41-3, Mississippi Code of 1972, is
18 brought forward as follows:

19 69-41-3. There is created a special joint committee of the
20 Legislature to be known as the Mississippi Agribusiness Council,
21 hereinafter referred to as "the council," for the purposes of
22 stimulating the development of new markets for Mississippi
23 agricultural products and industry.

24 SECTION 3. Section 69-41-5, Mississippi Code of 1972, is
25 brought forward as follows:

26 69-41-5. (1) The council shall be composed of the following
27 members:

28 (a) The Chairman and Vice-Chairman of the Senate
29 Agriculture Committee and five (5) additional members of the
30 Senate, no more than two (2) members from one (1) congressional

31 district. Upon recommendation by the Chairman of the Senate
32 Agriculture Committee, the Lieutenant Governor shall appoint such
33 five (5) additional members.

34 (b) The Chairman and Vice-Chairman of the House of
35 Representatives Agriculture Committee and five (5) additional
36 members of the House, no more than two (2) members from one (1)
37 congressional district. Upon recommendation by the Chairman of
38 the House of Representatives Agriculture Committee, the Speaker
39 shall appoint such five (5) additional members.

40 (2) The Chairman of the Senate Agriculture Committee and the
41 Chairman of the House of Representatives Agriculture Committee
42 shall serve as Co-Chairmen of the council.

43 (3) In conducting the studies and formulating the
44 recommendations required of it, the council may elicit the support
45 of and participation by any commercial, industrial, governmental,
46 agricultural, minority and public interest organizations or
47 associations, or individual members thereof, and any federal,
48 state and local agencies and political subdivisions as may be
49 necessary, or appropriate in the furtherance of the activities of
50 the council.

51 (4) In addition, the council shall be authorized to contract
52 or enter into agreements with other agencies or private research
53 centers that it may deem necessary to carry out its duties and
54 functions.

55 (5) For attending meetings of the council, each legislative
56 member shall receive per diem and expenses which shall be paid
57 from the contingent expense funds of their respective houses in
58 the same amounts as provided for committee meetings when the
59 Legislature is not in session. However, no per diem and expenses
60 shall be paid for attending meetings of the council while the
61 Legislature is in session, and no per diem and expenses shall be
62 paid without prior approval of the proper committee in the
63 member's respective house. However, per diem and travel expenses
64 incurred by members of the council which are not incurred for the
65 purpose of attending regular council meetings may be paid out of
66 funds appropriated to the Mississippi Agribusiness Council in the
67 amount provided by Sections 5-1-45 and 25-3-41, Mississippi Code

68 of 1972.

69 SECTION 4. Section 69-41-7, Mississippi Code of 1972, is
70 brought forward as follows:

71 69-41-7. The council may appoint a nonstate service
72 executive director, herein called director, who shall be competent
73 and qualified in the area of marketing and agriculture and who may
74 receive as compensation for services an annual salary as set by
75 the council, but not to exceed the annual salary of the
76 Commissioner of Agriculture and Commerce. The director shall be
77 the one-point information contact on agricultural production,
78 management and marketing issues and shall be charged with the duty
79 of knowing the role and responsible personnel in each agency on
80 matters related to agriculture. The director, or a staff member
81 as designated by the council, shall be directly responsible to the
82 council for tasks assigned in the administration and
83 implementation of programs developed by the council. The council
84 may also employ such nonstate staff as necessary to perform the
85 objectives of the council, whose salary shall be set by the
86 council but not to exceed an amount recommended by the State
87 Personnel Board.

88 SECTION 5. Section 69-41-9, Mississippi Code of 1972, is
89 brought forward as follows:

90 69-41-9. The duties and responsibilities of the council
91 shall be the following:

92 (1) To conduct national and international market research to
93 identify trade and investment opportunities;

94 (2) To identify joint ventures and licensing services;

95 (3) To conduct market studies to identify agricultural
96 products that can be manufactured in Mississippi from materials
97 and resources available in or to Mississippi for which a
98 profitable and growing market exists;

99 (4) To recommend legislation to assist with financial
100 packaging by utilizing all available fund resources provided by

101 the State of Mississippi including, but not limited to, the Small
102 Business Investment Act, Emerging Crops Fund and the Business
103 Financial Investment Act;

104 (5) To establish a Mississippi Register of Mississippi
105 Agricultural Producers for public policymaking purposes, and set
106 criteria for listing therein;

107 (6) To recommend purchasing agreements between state
108 institutions and Mississippi agricultural producers which shall
109 not include suggested prices;

110 (7) To recommend the enactment of legislation organizing the
111 state into marketing districts for the most effective and
112 efficient use of marketing resources;

113 (8) To provide any other assistance and services necessary
114 to accomplish the purposes of this chapter.

115 SECTION 6. Section 69-41-11, Mississippi Code of 1972, is
116 brought forward as follows:

117 69-41-11. The council is authorized and empowered to
118 promulgate rules required to carry out the provisions of this
119 chapter.

120 SECTION 7. Section 69-41-13, Mississippi Code of 1972, is
121 brought forward as follows:

122 69-41-13. The Mississippi Agribusiness Council is authorized
123 and empowered to accept and expend monetary or in-kind
124 contributions, gifts and grants to carry out the provisions of
125 this chapter. Such contributions, gifts and grants shall be
126 deposited into a special fund, hereby established in the State
127 Treasury, to be known as the "Agribusiness Council Contribution
128 Fund."

129 SECTION 8. Section 69-41-19, Mississippi Code of 1972, is
130 amended as follows:

131 69-41-19. The Agriculture Development Committee is created
132 and shall be composed of agriculture business leaders and farmers
133 as are appointed by the Mississippi Agribusiness Council; two (2)

134 of the members shall be a representative of Mississippi State
135 University, and two (2) shall be a representative of Alcorn State
136 University. The Development Committee shall work with the
137 Mississippi Agribusiness Council in carrying out its duties and
138 purposes. Members of the Development Committee shall serve
139 without compensation.

140 SECTION 9. Section 69-2-13, Mississippi Code of 1972, is
141 amended as follows:

142 69-2-13. (1) There is hereby established in the State
143 Treasury a fund to be known as the "Emerging Crops Fund," which
144 shall be used to pay the interest on loans made to farmers for
145 nonland capital costs of establishing production of emerging crops
146 on land in Mississippi, and to make loans and grants which are
147 authorized under this section to be made from the fund. The fund
148 shall be administered by the Mississippi Department of Economic
149 and Community Development. A board comprised of the directors of
150 the department, the Mississippi Cooperative Extension Service, the
151 Mississippi Small Farm Development Center and the Mississippi
152 Agricultural and Forestry Experiment Station, or their designees,
153 shall develop definitions, guidelines and procedures for the
154 implementation of this chapter. Funds for the Emerging Crops Fund
155 shall be provided from the issuance of bonds or notes under
156 Sections 69-2-19 through 69-2-37 and from repayment of interest
157 loans made from the fund.

158 (2) (a) The Mississippi Business Finance Corporation shall
159 develop a program which gives fair consideration to making loans
160 for the processing and manufacturing of goods and services by
161 agribusiness and small business concerns. It is the policy of the
162 State of Mississippi that such corporation shall give due
163 recognition to and shall aid, counsel, assist and protect, insofar
164 as is possible, the interests of agribusiness and small business
165 concerns. To ensure that the purposes of this subsection are
166 carried out, the corporation shall loan not more than One Million

167 Dollars (\$1,000,000.00) to finance any single agribusiness or
168 small business concern. Loans made pursuant to this subsection
169 shall be made in accordance with the criteria established in
170 Section 57-71-11.

171 (b) The Mississippi Business Finance Corporation may,
172 out of the total amount of bonds authorized to be issued under
173 this chapter, make available funds to any planning and development
174 district in accordance with the criteria established in Section
175 57-71-11. Planning and development districts which receive monies
176 pursuant to this provision shall use such monies to make loans to
177 private companies for purposes consistent with this subsection.

178 (c) The Mississippi Business Finance Corporation is
179 hereby authorized to engage legal services, financial advisors,
180 appraisers and consultants if needed to review and close loans
181 made hereunder and to establish and assess reasonable fees
182 including, but not limited to, liquidation expenses.

183 (3) The department shall, in addition to the other programs
184 described in this section, provide for a program of loans to be
185 made to agribusiness enterprises for the purpose of encouraging
186 thereby the extension of conventional financing and the issuance
187 of letters of credit to such agribusiness enterprises by private
188 institutions. Monies to make such loans by the department shall
189 be drawn from the Emerging Crops Fund. The amount of a loan to
190 any single agribusiness enterprise shall not exceed twenty percent
191 (20%) of the total cost of the project for which financing is
192 sought or Two Hundred Thousand Dollars (\$200,000.00), whichever is
193 less. No interest shall be charged on such loans, and only the
194 amount actually loaned shall be required to be repaid. Repayments
195 shall be deposited into the Emerging Crops Fund.

196 (4) Through June 30, 1999, the Mississippi Business Finance
197 Corporation may loan or grant to qualified planning and
198 development districts, and to small business investment
199 corporations, bank-based community development corporations, the

200 Recruitment and Training Program, Inc., the City of Jackson
201 Business Development Loan Fund, the Lorman Southwest Mississippi
202 Development Corporation, the West Jackson Community Development
203 Corporation, the East Mississippi Development Corporation, and
204 other entities meeting the criteria established by the Mississippi
205 Business Corporation (all referred to hereinafter as "qualified
206 entities"), funds for the purpose of establishing loan revolving
207 funds to assist in providing financing for minority economic
208 development. The monies loaned or granted by the Mississippi
209 Business Finance Corporation shall be drawn from the Emerging
210 Crops Fund and shall not exceed Sixteen Million Dollars
211 (\$16,000,000.00) in the aggregate. Planning and development
212 districts or qualified entities which receive monies pursuant to
213 this provision shall use such monies to make loans to minority
214 business enterprises consistent with criteria established by the
215 Mississippi Business Finance Corporation. Such criteria shall
216 include, at a minimum, the following:

217 (a) The business enterprise must be a private,
218 for-profit enterprise.

219 (b) If the business enterprise is a proprietorship, the
220 borrower must be a resident citizen of the State of Mississippi;
221 if the business enterprise is a corporation or partnership, at
222 least fifty percent (50%) of the owners must be resident citizens
223 of the State of Mississippi.

224 (c) The borrower must have at least five percent (5%)
225 equity interest in the business enterprise.

226 (d) The borrower must demonstrate ability to repay the
227 loan.

228 (e) The borrower must not be in default of any previous
229 loan from the state or federal government.

230 (f) Loan proceeds may be used for financing all project
231 costs associated with development or expansion of a new small
232 business, including fixed assets, working capital, start-up costs,

233 rental payments, interest expense during construction and
234 professional fees related to the project.

235 (g) Loan proceeds shall not be used to pay off existing
236 debt for loan consolidation purposes; to finance the acquisition,
237 construction, improvement or operation of real property which is
238 to be held primarily for sale or investment; to provide for, or
239 free funds, for speculation in any kind of property; or as a loan
240 to owners, partners or stockholders of the applicant which do not
241 change ownership interest by the applicant. However, this does
242 not apply to ordinary compensation for services rendered in the
243 course of business.

244 (h) The maximum amount that may be loaned to any one
245 (1) borrower shall be Two Hundred Fifty Thousand Dollars
246 (\$250,000.00).

247 (i) The Mississippi Business Finance Corporation shall
248 review each loan before it is made, and no loan shall be made to
249 any borrower until the loan has been reviewed and approved by the
250 Mississippi Business Finance Corporation.

251 For the purpose of this subsection, the term "minority
252 business enterprise" means a socially and economically
253 disadvantaged small business concern, organized for profit,
254 performing a commercially useful function which is owned and
255 controlled by one or more minorities or minority business
256 enterprises certified by the Mississippi Business Finance
257 Corporation, at least fifty percent (50%) of whom are resident
258 citizens of the State of Mississippi. For purposes of this
259 subsection, the term "socially and economically disadvantaged
260 small business concern" shall have the meaning ascribed to such
261 term under the Small Business Act (15 USCS, Section 637(a)), or
262 women, and the term "owned and controlled" means a business in
263 which one or more minorities or minority business enterprises
264 certified by the Mississippi Business Finance Corporation own
265 sixty percent (60%) or, in the case of a corporation, sixty

266 percent (60%) of the voting stock, and control sixty percent (60%)
267 of the management and daily business operations of the business.

268 From and after July 1, 1999, monies not loaned or granted by
269 the Business Finance Corporation to planning and development
270 districts or qualified entities under this subsection, and monies
271 not loaned by planning and development districts or qualified
272 entities, shall be deposited to the credit of the sinking fund
273 created and maintained in the State Treasury for the retirement of
274 bonds issued under Section 69-2-19.

275 (5) The Mississippi Business Finance Corporation shall
276 develop a program which will assist minority business enterprises
277 by guaranteeing bid, performance and payment bonds which such
278 minority businesses are required to obtain in order to contract
279 with state agencies or political subdivisions. Monies for such
280 program shall be drawn from the monies allocated under subsection
281 (4) of this section to assist the financing of minority economic
282 development and shall not exceed Two Million Dollars
283 (\$2,000,000.00) in the aggregate. The Mississippi Business
284 Finance Corporation may promulgate rules and regulations for the
285 operation of the program established pursuant to this subsection.

286 For the purpose of this subsection (5) the term "minority
287 business enterprise" has the meaning assigned such term in
288 subsection (4) of this section.

289 (6) The Mississippi Business Finance Corporation may loan or
290 grant to public entities and to nonprofit corporations funds to
291 defray the expense of financing (or to match any funds available
292 from other public or private sources for the expense of financing)
293 projects in this state which are devoted to the study, teaching
294 and/or promotion of regional crafts and which are deemed by the
295 corporation to be significant tourist attractions. The monies
296 loaned or granted shall be drawn from the Emerging Crops Fund and
297 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)
298 in the aggregate.

299 (7) Through June 30, 1998, the Mississippi Business Finance
300 Corporation shall make available to the Mississippi Department of
301 Agriculture and Commerce funds for the purpose of establishing
302 loan revolving funds and other methods of financing for
303 agribusiness programs administered under the Mississippi
304 Agribusiness Council Act of 1993. The monies made available by
305 the Mississippi Business Finance Corporation shall be drawn from
306 the Emerging Crops Fund and shall not exceed Seven Hundred
307 Thousand Dollars (\$700,000.00) in the aggregate. The Mississippi
308 Department of Agriculture and Commerce shall establish control and
309 auditing procedures for use of these funds. These funds will be
310 used primarily for quick payment to farmers for vegetable and
311 fruit crops processed and sold through vegetable processing plants
312 associated with the Department of Agriculture and Commerce and the
313 Mississippi State Extension Service.

314 (8) From and after July 1, 1996, the Mississippi Business
315 Finance Corporation shall make available to the Mississippi Small
316 Farm Development Center One Million Dollars (\$1,000,000.00) to be
317 used by the center to assist small entrepreneurs as provided in
318 Section 37-101-25, Mississippi Code of 1972. The monies made
319 available by the Mississippi Business Finance Corporation shall be
320 drawn from the Emerging Crops Fund.

321 (9) The Mississippi Business Finance Corporation shall make
322 available to the Mississippi Department of Agriculture and
323 Commerce for disbursement, upon warrant or warrants issued by the
324 State Fiscal Officer upon requisitions made by the Commissioner of
325 Agriculture and Commerce, or his designee, to the Certified Cotton
326 Growers Organization, as defined in Section 69-37-5, funds on a
327 one-time basis in a lump sum, an amount not to exceed Two Million
328 Dollars (\$2,000,000.00) for the purpose of assisting in carrying
329 out the purposes of the Mississippi Boll Weevil Management Act.
330 The monies made available by the Mississippi Business Finance
331 Corporation shall be drawn from the Emerging Crops Fund. This

332 subsection (9) shall be repealed from and after June 30, 1999.

333 (10) Upon request by resolution of the Board of Directors of
334 the Institute for Technology Development and the Mississippi
335 Agribusiness Council, the Mississippi Business Finance Corporation
336 shall make available to the Institute for Technology Development
337 on a one-time basis, an amount not to exceed Two Hundred Fifty
338 Thousand Dollars (\$250,000.00) from the cash balance of the
339 Emerging Crops Fund to support the development of a cooperative
340 program for agribusiness development with the Alternative
341 Agriculture Research and Commercialization Program (AARC) of the
342 United States Department of Agriculture.

343 (11) The Mississippi Business Finance Corporation shall make
344 available to the Mississippi Forestry Commission on a lump sum
345 amount not to exceed Five Hundred Thousand Dollars (\$500,000.00)
346 to be drawn from the Emerging Crops Fund and used for the
347 commission's Reforestation Cost-Share Program. This subsection
348 (11) shall be repealed from and after June 30, 1999.

349 (12) The Mississippi Business Finance Corporation shall make
350 available to the Mississippi Forestry Commission for Fiscal Year
351 1999 a lump sum amount not to exceed Three Million Dollars
352 (\$3,000,000.00) to be drawn from the Emerging Crops Fund and used
353 for the purpose of replacing fire fighting units/equipment. This
354 subsection (12) shall be repealed from and after June 30, 1999.

355 (13) In addition to the amount provided in subsection (11)
356 of this section, the Mississippi Business Finance Corporation
357 shall make available to the Mississippi Forestry Commission for
358 Fiscal Year 1999 a lump sum amount not to exceed Five Hundred
359 Thousand Dollars (\$500,000.00) to be drawn from the Emerging Crops
360 Fund and used for the commission's Reforestation Cost-Share
361 Program. This subsection (13) shall be repealed from and after
362 June 30, 1999.

363 (14) The Mississippi Business Finance Corporation shall make
364 available to the Small Farm Development Center at Alcorn State

365 University for Fiscal Year 1999 funds in the amount of Fifty
366 Thousand Dollars (\$50,000.00) and for Fiscal Year 2000 funds in
367 the amount of Fifty Thousand Dollars (\$50,000.00) to be drawn from
368 the Emerging Crops Fund to support a cooperative program for
369 agribusiness development in Mississippi. This subsection (14)
370 shall be repealed from and after June 30, 2000.

371 (15) The Mississippi Business Finance Corporation shall make
372 available to the Small Farm Development Center at Alcorn State
373 University for Fiscal Year 2001 funds in the amount of Fifty
374 Thousand Dollars (\$50,000.00) to be drawn from the Emerging Crops
375 Fund to support a cooperative program for agribusiness development
376 in Mississippi. This subsection (15) shall be repealed from and
377 after June 30, 2001.

378 SECTION 10. This act shall take effect and be in force from
379 and after July 1, 1999.