

By: Minor, Horhn

To: Agriculture;  
Appropriations

SENATE BILL NO. 2903

1 AN ACT TO REENACT AND AMEND SECTION 69-2-13, MISSISSIPPI CODE  
2 OF 1972, WHICH ESTABLISHES THE EMERGING CROPS FUND AND PRESCRIBES  
3 ITS FUNCTION AND ADMINISTRATION, TO EXTEND THE DATE OF THE  
4 REPEALER CONCERNING THE SMALL FARM DEVELOPMENT CENTER AT ALCORN  
5 STATE UNIVERSITY; AND FOR RELATED PURPOSES.

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

7 SECTION 1. Section 69-2-13, Mississippi Code of 1972, is  
8 amended as follows:

9 69-2-13. (1) There is hereby established in the State  
10 Treasury a fund to be known as the "Emerging Crops Fund," which  
11 shall be used to pay the interest on loans made to farmers for  
12 nonland capital costs of establishing production of emerging crops  
13 on land in Mississippi, and to make loans and grants which are  
14 authorized under this section to be made from the fund. The fund  
15 shall be administered by the Mississippi Department of Economic  
16 and Community Development. A board comprised of the directors of  
17 the department, the Mississippi Cooperative Extension Service, the  
18 Mississippi Small Farm Development Center and the Mississippi  
19 Agricultural and Forestry Experiment Station, or their designees,  
20 shall develop definitions, guidelines and procedures for the  
21 implementation of this chapter. Funds for the Emerging Crops Fund  
22 shall be provided from the issuance of bonds or notes under  
23 Sections 69-2-19 through 69-2-37 and from repayment of interest  
24 loans made from the fund.

25 (2) (a) The Mississippi Business Finance Corporation shall  
26 develop a program which gives fair consideration to making loans  
27 for the processing and manufacturing of goods and services by

28 agribusiness and small business concerns. It is the policy of the  
29 State of Mississippi that such corporation shall give due  
30 recognition to and shall aid, counsel, assist and protect, insofar  
31 as is possible, the interests of agribusiness and small business  
32 concerns. To ensure that the purposes of this subsection are  
33 carried out, the corporation shall loan not more than One Million  
34 Dollars (\$1,000,000.00) to finance any single agribusiness or  
35 small business concern. Loans made pursuant to this subsection  
36 shall be made in accordance with the criteria established in  
37 Section 57-71-11.

38 (b) The Mississippi Business Finance Corporation may,  
39 out of the total amount of bonds authorized to be issued under  
40 this chapter, make available funds to any planning and development  
41 district in accordance with the criteria established in Section  
42 57-71-11. Planning and development districts which receive monies  
43 pursuant to this provision shall use such monies to make loans to  
44 private companies for purposes consistent with this subsection.

45 (c) The Mississippi Business Finance Corporation is  
46 hereby authorized to engage legal services, financial advisors,  
47 appraisers and consultants if needed to review and close loans  
48 made hereunder and to establish and assess reasonable fees  
49 including, but not limited to, liquidation expenses.

50 (3) The department shall, in addition to the other programs  
51 described in this section, provide for a program of loans to be  
52 made to agribusiness enterprises for the purpose of encouraging  
53 thereby the extension of conventional financing and the issuance  
54 of letters of credit to such agribusiness enterprises by private  
55 institutions. Monies to make such loans by the department shall  
56 be drawn from the Emerging Crops Fund. The amount of a loan to  
57 any single agribusiness enterprise shall not exceed twenty percent  
58 (20%) of the total cost of the project for which financing is  
59 sought or Two Hundred Thousand Dollars (\$200,000.00), whichever is  
60 less. No interest shall be charged on such loans, and only the  
61 amount actually loaned shall be required to be repaid. Repayments  
62 shall be deposited into the Emerging Crops Fund.

63 (4) Through June 30, 1999, the Mississippi Business Finance  
64 Corporation may loan or grant to qualified planning and

65 development districts, and to small business investment  
66 corporations, bank-based community development corporations, the  
67 Recruitment and Training Program, Inc., the City of Jackson  
68 Business Development Loan Fund, the Lorman Southwest Mississippi  
69 Development Corporation, the West Jackson Community Development  
70 Corporation, the East Mississippi Development Corporation, and  
71 other entities meeting the criteria established by the Mississippi  
72 Business Corporation (all referred to hereinafter as "qualified  
73 entities"), funds for the purpose of establishing loan revolving  
74 funds to assist in providing financing for minority economic  
75 development. The monies loaned or granted by the Mississippi  
76 Business Finance Corporation shall be drawn from the Emerging  
77 Crops Fund and shall not exceed Sixteen Million Dollars  
78 (\$16,000,000.00) in the aggregate. Planning and development  
79 districts or qualified entities which receive monies pursuant to  
80 this provision shall use such monies to make loans to minority  
81 business enterprises consistent with criteria established by the  
82 Mississippi Business Finance Corporation. Such criteria shall  
83 include, at a minimum, the following:

84 (a) The business enterprise must be a private,  
85 for-profit enterprise.

86 (b) If the business enterprise is a proprietorship, the  
87 borrower must be a resident citizen of the State of Mississippi;  
88 if the business enterprise is a corporation or partnership, at  
89 least fifty percent (50%) of the owners must be resident citizens  
90 of the State of Mississippi.

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

93 (d) The borrower must demonstrate ability to repay the  
94 loan.

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

97 (f) Loan proceeds may be used for financing all project

98 costs associated with development or expansion of a new small  
99 business, including fixed assets, working capital, start-up costs,  
100 rental payments, interest expense during construction and  
101 professional fees related to the project.

102 (g) Loan proceeds shall not be used to pay off existing  
103 debt for loan consolidation purposes; to finance the acquisition,  
104 construction, improvement or operation of real property which is  
105 to be held primarily for sale or investment; to provide for, or  
106 free funds, for speculation in any kind of property; or as a loan  
107 to owners, partners or stockholders of the applicant which do not  
108 change ownership interest by the applicant. However, this does  
109 not apply to ordinary compensation for services rendered in the  
110 course of business.

111 (h) The maximum amount that may be loaned to any one  
112 (1) borrower shall be Two Hundred Fifty Thousand Dollars  
113 (\$250,000.00).

114 (i) The Mississippi Business Finance Corporation shall  
115 review each loan before it is made, and no loan shall be made to  
116 any borrower until the loan has been reviewed and approved by the  
117 Mississippi Business Finance Corporation.

118 For the purpose of this subsection, the term "minority  
119 business enterprise" means a socially and economically  
120 disadvantaged small business concern, organized for profit,  
121 performing a commercially useful function which is owned and  
122 controlled by one or more minorities or minority business  
123 enterprises certified by the Mississippi Business Finance  
124 Corporation, at least fifty percent (50%) of whom are resident  
125 citizens of the State of Mississippi. For purposes of this  
126 subsection, the term "socially and economically disadvantaged  
127 small business concern" shall have the meaning ascribed to such  
128 term under the Small Business Act (15 USCS, Section 637(a)), or  
129 women, and the term "owned and controlled" means a business in  
130 which one or more minorities or minority business enterprises

131 certified by the Mississippi Business Finance Corporation own  
132 sixty percent (60%) or, in the case of a corporation, sixty  
133 percent (60%) of the voting stock, and control sixty percent (60%)  
134 of the management and daily business operations of the business.

135 From and after July 1, 1999, monies not loaned or granted by  
136 the Business Finance Corporation to planning and development  
137 districts or qualified entities under this subsection, and monies  
138 not loaned by planning and development districts or qualified  
139 entities, shall be deposited to the credit of the sinking fund  
140 created and maintained in the State Treasury for the retirement of  
141 bonds issued under Section 69-2-19.

142 (5) The Mississippi Business Finance Corporation shall  
143 develop a program which will assist minority business enterprises  
144 by guaranteeing bid, performance and payment bonds which such  
145 minority businesses are required to obtain in order to contract  
146 with state agencies or political subdivisions. Monies for such  
147 program shall be drawn from the monies allocated under subsection  
148 (4) of this section to assist the financing of minority economic  
149 development and shall not exceed Two Million Dollars  
150 (\$2,000,000.00) in the aggregate. The Mississippi Business  
151 Finance Corporation may promulgate rules and regulations for the  
152 operation of the program established pursuant to this subsection.

153 For the purpose of this subsection (5) the term "minority  
154 business enterprise" has the meaning assigned such term in  
155 subsection (4) of this section.

156 (6) The Mississippi Business Finance Corporation may loan or  
157 grant to public entities and to nonprofit corporations funds to  
158 defray the expense of financing (or to match any funds available  
159 from other public or private sources for the expense of financing)  
160 projects in this state which are devoted to the study, teaching  
161 and/or promotion of regional crafts and which are deemed by the  
162 corporation to be significant tourist attractions. The monies  
163 loaned or granted shall be drawn from the Emerging Crops Fund and

164 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)  
165 in the aggregate.

166 (7) Through June 30, 1998, the Mississippi Business Finance  
167 Corporation shall make available to the Mississippi Department of  
168 Agriculture and Commerce funds for the purpose of establishing  
169 loan revolving funds and other methods of financing for  
170 agribusiness programs administered under the Mississippi  
171 Agribusiness Council Act of 1993. The monies made available by  
172 the Mississippi Business Finance Corporation shall be drawn from  
173 the Emerging Crops Fund and shall not exceed Seven Hundred  
174 Thousand Dollars (\$700,000.00) in the aggregate. The Mississippi  
175 Department of Agriculture and Commerce shall establish control and  
176 auditing procedures for use of these funds. These funds will be  
177 used primarily for quick payment to farmers for vegetable and  
178 fruit crops processed and sold through vegetable processing plants  
179 associated with the Department of Agriculture and Commerce and the  
180 Mississippi State Extension Service.

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

188 (9) The Mississippi Business Finance Corporation shall make  
189 available to the Mississippi Department of Agriculture and  
190 Commerce for disbursement, upon warrant or warrants issued by the  
191 State Fiscal Officer upon requisitions made by the Commissioner of  
192 Agriculture and Commerce, or his designee, to the Certified Cotton  
193 Growers Organization, as defined in Section 69-37-5, funds on a  
194 one-time basis in a lump sum, an amount not to exceed Two Million  
195 Dollars (\$2,000,000.00) for the purpose of assisting in carrying  
196 out the purposes of the Mississippi Boll Weevil Management Act.

197 The monies made available by the Mississippi Business Finance  
198 Corporation shall be drawn from the Emerging Crops Fund. This  
199 subsection (9) shall be repealed from and after June 30, 1999.

200 (10) Upon request by resolution of the Board of Directors of  
201 the Institute for Technology Development and the Mississippi  
202 Agribusiness Council, the Mississippi Business Finance Corporation  
203 shall make available to the Institute for Technology Development  
204 on a one-time basis, an amount not to exceed Two Hundred Fifty  
205 Thousand Dollars (\$250,000.00) from the cash balance of the  
206 Emerging Crops Fund to support the development of a cooperative  
207 program for agribusiness development with the Alternative  
208 Agriculture Research and Commercialization Program (AARC) of the  
209 United States Department of Agriculture.

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

216 (12) The Mississippi Business Finance Corporation shall make  
217 available to the Mississippi Forestry Commission for fiscal year  
218 1999 a lump sum amount not to exceed Three Million Dollars  
219 (\$3,000,000.00) to be drawn from the Emerging Crops Fund and used  
220 for the purpose of replacing fire fighting units/equipment. This  
221 subsection (12) shall be repealed from and after June 30, 1999.

222 (13) In addition to the amount provided in subsection (11)  
223 of this section, the Mississippi Business Finance Corporation  
224 shall make available to the Mississippi Forestry Commission for  
225 fiscal year 1999 a lump sum amount not to exceed Five Hundred  
226 Thousand Dollars (\$500,000.00) to be drawn from the Emerging Crops  
227 Fund and used for the commission's Reforestation Cost-Share  
228 Program. This subsection (13) shall be repealed from and after  
229 June 30, 1999.

230           (14) The Mississippi Business Finance Corporation shall make  
231 available to the Small Farm Development Center at Alcorn State  
232 University for fiscal year 1999 funds in the amount of Fifty  
233 Thousand Dollars (\$50,000.00) and for fiscal year 2000 funds in  
234 the amount of Fifty Thousand Dollars (\$50,000.00) to be drawn from  
235 the Emerging Crops Fund to support a cooperative program for  
236 agribusiness development in Mississippi. This subsection (14)  
237 shall be repealed from and after June 30, 2001.

238           SECTION 2. This act shall take effect and be in force from  
239 and after June 30, 2000.