

By: Minor, Horhn

To: Agriculture;
AppropriationsSENATE BILL NO. 2903
(As Passed the Senate)

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; TO PROVIDE THAT GREENHOUSE PRODUCTION
6 HORTICULTURE IS ELIGIBLE FOR LOANS UNDER THE EMERGING CROPS FUND;
7 AND FOR RELATED PURPOSES.

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

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

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

27 (2) (a) The Mississippi Business Finance Corporation shall
28 develop a program which gives fair consideration to making loans

29 for the processing and manufacturing of goods and services by
30 agribusiness, greenhouse production horticulture, and small
31 business concerns. It is the policy of the State of Mississippi
32 that such corporation shall give due recognition to and shall aid,
33 counsel, assist and protect, insofar as is possible, the interests
34 of agribusiness, greenhouse production horticulture, and small
35 business concerns. To ensure that the purposes of this subsection
36 are carried out, the corporation shall loan not more than One
37 Million Dollars (\$1,000,000.00) to finance any single
38 agribusiness, greenhouse production horticulture, or small
39 business concern. Loans made pursuant to this subsection shall be
40 made in accordance with the criteria established in Section
41 57-71-11.

42 (b) The Mississippi Business Finance Corporation may,
43 out of the total amount of bonds authorized to be issued under
44 this chapter, make available funds to any planning and development
45 district in accordance with the criteria established in Section
46 57-71-11. Planning and development districts which receive monies
47 pursuant to this provision shall use such monies to make loans to
48 private companies for purposes consistent with this subsection.

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

54 (3) The department shall, in addition to the other programs
55 described in this section, provide for a program of loans to be
56 made to agribusiness or greenhouse production horticulture
57 enterprises for the purpose of encouraging thereby the extension
58 of conventional financing and the issuance of letters of credit to
59 such agribusiness or greenhouse production horticulture
60 enterprises by private institutions. Monies to make such loans by
61 the department shall be drawn from the Emerging Crops Fund. The
62 amount of a loan to any single agribusiness or greenhouse
63 production horticulture enterprise shall not exceed twenty percent
64 (20%) of the total cost of the project for which financing is
65 sought or Two Hundred Thousand Dollars (\$200,000.00), whichever is

66 less. No interest shall be charged on such loans, and only the
67 amount actually loaned shall be required to be repaid. Repayments
68 shall be deposited into the Emerging Crops Fund.

69 (4) Through June 30, 1999, the Mississippi Business Finance
70 Corporation may loan or grant to qualified planning and
71 development districts, and to small business investment
72 corporations, bank-based community development corporations, the
73 Recruitment and Training Program, Inc., the City of Jackson
74 Business Development Loan Fund, the Lorman Southwest Mississippi
75 Development Corporation, the West Jackson Community Development
76 Corporation, the East Mississippi Development Corporation, and
77 other entities meeting the criteria established by the Mississippi
78 Business Corporation (all referred to hereinafter as "qualified
79 entities"), funds for the purpose of establishing loan revolving
80 funds to assist in providing financing for minority economic
81 development. The monies loaned or granted by the Mississippi
82 Business Finance Corporation shall be drawn from the Emerging
83 Crops Fund and shall not exceed Sixteen Million Dollars
84 (\$16,000,000.00) in the aggregate. Planning and development
85 districts or qualified entities which receive monies pursuant to
86 this provision shall use such monies to make loans to minority
87 business enterprises consistent with criteria established by the
88 Mississippi Business Finance Corporation. Such criteria shall
89 include, at a minimum, the following:

90 (a) The business enterprise must be a private,
91 for-profit enterprise.

92 (b) If the business enterprise is a proprietorship, the
93 borrower must be a resident citizen of the State of Mississippi;
94 if the business enterprise is a corporation or partnership, at
95 least fifty percent (50%) of the owners must be resident citizens
96 of the State of Mississippi.

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

99 (d) The borrower must demonstrate ability to repay the
100 loan.

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

103 (f) Loan proceeds may be used for financing all project
104 costs associated with development or expansion of a new small
105 business, including fixed assets, working capital, start-up costs,
106 rental payments, interest expense during construction and
107 professional fees related to the project.

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

117 (h) The maximum amount that may be loaned to any one
118 (1) borrower shall be Two Hundred Fifty Thousand Dollars
119 (\$250,000.00).

120 (i) The Mississippi Business Finance Corporation shall
121 review each loan before it is made, and no loan shall be made to
122 any borrower until the loan has been reviewed and approved by the
123 Mississippi Business Finance Corporation.

124 For the purpose of this subsection, the term "minority
125 business enterprise" means a socially and economically
126 disadvantaged small business concern, organized for profit,
127 performing a commercially useful function which is owned and
128 controlled by one or more minorities or minority business
129 enterprises certified by the Mississippi Business Finance
130 Corporation, at least fifty percent (50%) of whom are resident
131 citizens of the State of Mississippi. For purposes of this

132 subsection, the term "socially and economically disadvantaged
133 small business concern" shall have the meaning ascribed to such
134 term under the Small Business Act (15 USCS, Section 637(a)), or
135 women, and the term "owned and controlled" means a business in
136 which one or more minorities or minority business enterprises
137 certified by the Mississippi Business Finance Corporation own
138 sixty percent (60%) or, in the case of a corporation, sixty
139 percent (60%) of the voting stock, and control sixty percent (60%)
140 of the management and daily business operations of the business.

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

148 (5) The Mississippi Business Finance Corporation shall
149 develop a program which will assist minority business enterprises
150 by guaranteeing bid, performance and payment bonds which such
151 minority businesses are required to obtain in order to contract
152 with state agencies or political subdivisions. Monies for such
153 program shall be drawn from the monies allocated under subsection
154 (4) of this section to assist the financing of minority economic
155 development and shall not exceed Two Million Dollars
156 (\$2,000,000.00) in the aggregate. The Mississippi Business
157 Finance Corporation may promulgate rules and regulations for the
158 operation of the program established pursuant to this subsection.

159 For the purpose of this subsection (5) the term "minority
160 business enterprise" has the meaning assigned such term in
161 subsection (4) of this section.

162 (6) The Mississippi Business Finance Corporation may loan or
163 grant to public entities and to nonprofit corporations funds to
164 defray the expense of financing (or to match any funds available

165 from other public or private sources for the expense of financing)
166 projects in this state which are devoted to the study, teaching
167 and/or promotion of regional crafts and which are deemed by the
168 corporation to be significant tourist attractions. The monies
169 loaned or granted shall be drawn from the Emerging Crops Fund and
170 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)
171 in the aggregate.

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

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

194 (9) The Mississippi Business Finance Corporation shall make
195 available to the Mississippi Department of Agriculture and
196 Commerce for disbursement, upon warrant or warrants issued by the
197 State Fiscal Officer upon requisitions made by the Commissioner of

198 Agriculture and Commerce, or his designee, to the Certified Cotton
199 Growers Organization, as defined in Section 69-37-5, funds on a
200 one-time basis in a lump sum, an amount not to exceed Two Million
201 Dollars (\$2,000,000.00) for the purpose of assisting in carrying
202 out the purposes of the Mississippi Boll Weevil Management Act.
203 The monies made available by the Mississippi Business Finance
204 Corporation shall be drawn from the Emerging Crops Fund. This
205 subsection (9) shall be repealed from and after June 30, 1999.

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

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

222 (12) The Mississippi Business Finance Corporation shall make
223 available to the Mississippi Forestry Commission for fiscal year
224 1999 a lump sum amount not to exceed Three Million Dollars
225 (\$3,000,000.00) to be drawn from the Emerging Crops Fund and used
226 for the purpose of replacing fire fighting units/equipment. This
227 subsection (12) shall be repealed from and after June 30, 1999.

228 (13) In addition to the amount provided in subsection (11)
229 of this section, the Mississippi Business Finance Corporation
230 shall make available to the Mississippi Forestry Commission for

231 fiscal year 1999 a lump sum amount not to exceed Five Hundred
232 Thousand Dollars (\$500,000.00) to be drawn from the Emerging Crops
233 Fund and used for the commission's Reforestation Cost-Share
234 Program. This subsection (13) shall be repealed from and after
235 June 30, 1999.

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

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