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To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 2670

1 AN ACT TO CREATE THE MISSISSIPPI LAND, WATER AND TIMBER
2 RESOURCES ADVISORY COUNCIL AND PRESCRIBE ITS MEMBERSHIP, POWERS
3 AND DUTIES; TO AMEND SECTIONS 69-46-5 AND 69-46-7, MISSISSIPPI
4 CODE OF 1972, TO TRANSFER THE POWERS AND DUTIES OF THE MISSISSIPPI
5 LAND, WATER AND TIMBER RESOURCES BOARD TO THE MISSISSIPPI
6 DEVELOPMENT AUTHORITY; AND TO GRANT THE MISSISSIPPI DEVELOPMENT
7 AUTHORITY CERTAIN POWERS WITH REGARD TO AN AGRIBUSINESS ENTERPRISE
8 FOR WHICH THE STATE ENTERED INTO A LOAN GUARANTY OR OTHER
9 AGREEMENT UNDER SECTION 69-2-13(3)(b); TO REPEAL SECTION 69-46-3,
10 MISSISSIPPI CODE OF 1972, WHICH CREATES THE MISSISSIPPI LAND WATER
11 AND TIMBER RESOURCES BOARD AND PROVIDES FOR ITS PURPOSE,
12 MEMBERSHIP AND MEETINGS; AND FOR RELATED PURPOSES.

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

14 **SECTION 1.** (1) There is created the Mississippi Land, Water
15 and Timber Resources Advisory Council, hereinafter referred to as
16 "the council," for the purpose of providing advice to the
17 Mississippi Development Authority with regard to the development,
18 marketing and distribution of agricultural products under this
19 act.

20 (2) The council shall be composed of the following members:

21 (a) The President of the Mississippi Farm Bureau
22 Federation, or his designee;

23 (b) The Vice President for Agriculture, Forestry and
24 Veterinary Medicine at Mississippi State University, or his
25 designee;

26 (c) The Vice President for Agriculture at Alcorn State
27 University, or his designee;

28 (d) The Director of the Agricultural Finance Division
29 of the Mississippi Development Authority, or his designee;

30 (e) The Director of the Agriculture Marketing Division
31 of the Mississippi Department of Agriculture and Commerce, or his
32 designee;

33 (f) The Executive Director of the Mississippi Forestry
34 Commission, or his designee; and

35 (g) One (1) individual who is involved in agricultural
36 lending. The appointing authority for this member shall alternate
37 between the Mississippi Banker's Association and the Farm Credit
38 Association with the first appointment being made by the
39 Mississippi Bankers Association. The term of office of the member
40 appointed under this paragraph shall be concurrent with that of
41 the Governor.

42 (3) The council shall elect a chairman and vice chairman
43 from among its membership.

44 (4) The council shall meet at least once each calendar
45 quarter at the call of the chairmen. A majority of the members of
46 the council shall constitute a quorum at all meetings. An
47 affirmative vote of a majority of the members present and voting
48 is required in the adoption of any actions taken by the council.
49 All members must be notified, in writing, of all regular and
50 special meetings of the council, which notices must be mailed at
51 least ten (10) days before the dates of the meetings. All
52 meetings shall take place at the State Capitol in Jackson,
53 Mississippi. The council shall provide a copy of the minutes of
54 each of its meetings to the Chairman of the Senate Agriculture
55 Committee and the Chairman of the House of Representatives
56 Agriculture Committee.

57 (5) Members of the council shall not receive compensation.
58 However, each member may be paid travel expenses, meals and
59 lodging expenses as provided in Section 25-3-41, for such expenses
60 incurred in furtherance of their duties. Travel expenses, meals
61 and lodging expenses and other necessary expenses incurred by the
62 council shall be paid out of funds appropriated to the Mississippi
63 Development Authority.

64 (6) The council shall make nonbinding recommendations to the
65 Mississippi Development Authority regarding the development,

66 marketing and distribution of agricultural products under this
67 act.

68 (7) The council may utilize the services, facilities and
69 personnel of all departments, agencies, offices and institutions
70 of the state, and all such departments, agencies, offices and
71 institutions shall cooperate with the council in carrying out its
72 duties under this act.

73 **SECTION 2.** Section 69-46-5, Mississippi Code of 1972, is
74 amended as follows:

75 69-46-5. (1) The Mississippi Development Authority shall
76 administer the Mississippi Land, Water and Timber Resources Act
77 and in that regard shall have the following powers and duties:

78 (a) To develop marketing plans and opportunities for
79 independent farmers in Mississippi;

80 (b) To encourage the commercialization of new
81 agricultural technology businesses;

82 (c) To initiate the development of processing
83 facilities for Mississippi agricultural commodities;

84 (d) To initiate the development of Mississippi
85 wholesale distribution businesses for agricultural inputs and
86 products;

87 (e) To promote the development of institutional and
88 specialty markets for Mississippi agriculture products;

89 (f) To encourage additional research for new
90 agricultural product development;

91 (g) To develop a working relationship with the state
92 offices of the United States Department of Agriculture as may be
93 appropriate for the promotion and development of agriculture in
94 Mississippi;

95 (h) To promote the rural quality of life in Mississippi
96 through such programs as 4-H, Future Farmers of America and
97 agricultural education;

98 (i) To encourage, promote and initiate the development
99 of alternative energy strategies, applied research technologies
100 and commercialization enterprises that focus on Mississippi
101 natural resources, including, but not limited to, agriculture,
102 timber and poultry products and byproducts;

103 (j) To file an annual report with the Governor,
104 Secretary of the Senate and the Clerk of the House of
105 Representatives not later than December 1 of each year, with
106 recommendations for any legislation necessary to accomplish the
107 purposes of the Mississippi Land, Water and Timber Resources Act;

108 (k) To expend funds out of the Mississippi Land, Water
109 and Timber Resources Fund to carry out its powers and duties under
110 the Mississippi Land, Water and Timber Resources Act.

111 (2) In addition to the authority provided in subsection (1)
112 of this section, the Mississippi Development Authority may:

113 (a) Use monies in the Mississippi Land, Water and
114 Timber Resources Fund for the purpose of defraying costs incurred
115 by the Mississippi Development Authority in order to preserve any
116 agribusiness enterprise for which the state entered into a loan
117 guaranty or other agreement under Section 69-2-13(3)(b), any
118 assets of or related to the agribusiness enterprise for which the
119 state has an interest by reason of such loan guaranty or other
120 agreement, and any assets of or related to the agribusiness
121 enterprise for which the state has an interest by reason of its
122 loan guaranty or any other agreement. Such costs include, but are
123 not limited to:

124 (i) Paying to a bank any interest accrued or that
125 will accrue on the loan for which the state provided a guaranty or
126 similar agreement;

127 (ii) Expenses necessary to preserve the
128 operational integrity of the assets of the agribusiness
129 enterprise, including, but not limited to, maintenance and
130 security services, electricity and other utilities, regardless of

131 whether such expenses are for past services or for ongoing and
132 future services;

133 (iii) Reimbursing the bank for costs incurred by a
134 bank in preserving the assets of the agribusiness enterprise;

135 (iv) Marketing and promoting the assets of the
136 agribusiness enterprise and conveying, selling, leasing or
137 otherwise transferring or disposing of the agribusiness enterprise
138 and any assets of or related to the agribusiness enterprise for
139 which the state has an interest by reason of its loan guaranty or
140 any other agreement on behalf of the agribusiness enterprise;

141 (v) Negotiating settlements for contracts
142 regarding construction of the agribusiness enterprise and other
143 contracts as determined by the Mississippi Development Authority;
144 and

145 (vi) Other purposes determined by the Mississippi
146 Development Authority to be appropriate under this subsection.

147 (b) Take any action it determines to be appropriate in
148 order to preserve, acquire, market, promote, acquire, and/or
149 convey, sale, lease or otherwise transfer or dispose of the
150 agribusiness enterprise and any or all of the assets of or related
151 to the agribusiness enterprise for which the state has an interest
152 by reason of its loan guaranty or any other agreement. The
153 Mississippi Development Authority may acquire the agribusiness
154 enterprise and assets from any entity, in any manner, and upon any
155 terms and conditions it determines to be appropriate, and it may
156 convey, sale, lease or otherwise transfer or dispose of the
157 agribusiness enterprise and assets in a similar manner.

158 (3) The Mississippi Development Authority may promulgate and
159 enforce rules and regulations, in accordance with the Mississippi
160 Administrative Procedures Law, as may be necessary to carry out
161 the provisions of the Mississippi Land, Water and Timber Resources
162 Act.

163 (4) The Mississippi Development Authority may provide funds
164 to public entities and private entities through loans, grants,
165 contracts and any other manner the authority determines
166 appropriate for the purposes of carrying out the provisions of the
167 Mississippi Land, Water and Timber Resources Act.

168 **SECTION 3.** Section 69-46-7, Mississippi Code of 1972, is
169 amended as follows:

170 69-46-7. (1) (a) The Mississippi Development Authority may
171 accept and expend funds appropriated or otherwise made available
172 by the Legislature and funds from any other source in order to
173 carry out the provisions of the Mississippi Land, Water and Timber
174 Resources Act. Such funds shall be deposited into a special fund
175 hereby established in the State Treasury to be known as the
176 "Mississippi Land, Water and Timber Resources Fund." Unexpended
177 amounts derived from bond proceeds or private funds, or both,
178 remaining in the fund at the end of a fiscal year shall not lapse
179 into the State General Fund, and any investment earnings or
180 interest earned on such amounts in the fund shall be deposited to
181 the credit of the fund. All other unexpended amounts remaining in
182 the fund at the end of a fiscal year shall lapse into the State
183 General Fund. The Mississippi Development Authority may provide
184 to the Mississippi Department of Agriculture and Commerce not more
185 than Two Hundred Fifty Thousand Dollars (\$250,000.00), in the
186 aggregate, of monies in the fund that are derived from proceeds of
187 bonds issued under Sections 1 through 16 of Chapter 538, Laws of
188 2001, and/or Sections 1 through 16 of Chapter 542, Laws of 2002,
189 for the purpose of providing additional funds to defray costs
190 incurred by the department in assisting the authority in carrying
191 out the provisions of the Mississippi Land, Water and Timber
192 Resources Act. However, the Mississippi Department of Agriculture
193 and Commerce may not use any portion of such funds for the purpose
194 of hiring any person as an employee as defined in Section
195 25-3-91(c). The Mississippi Department of Agriculture may

196 escalate its budget and expend such funds, when provided by the
197 authority, in accordance with rules and regulations of the
198 Department of Finance and Administration in a manner consistent
199 with the escalation of federal funds. The * * * Mississippi
200 Development Authority may utilize not more than Two Hundred Fifty
201 Thousand Dollars (\$250,000.00), in the aggregate, of monies in the
202 fund that are derived from proceeds of bonds issued under Sections
203 1 through 16 of Chapter 538, Laws of 2001, and/or Sections 1
204 through 16 of Chapter 542, Laws of 2002, for the purpose of
205 providing additional funds to defray costs incurred by the
206 Mississippi Development Authority in * * * carrying out the
207 provisions of the Mississippi Land, Water and Timber Resources
208 Act. However, the Mississippi Development Authority may not use
209 any portion of such funds for the purpose of hiring any person as
210 an employee as defined in Section 25-3-91(c). The Mississippi
211 Development Authority may escalate its budget and expend such
212 funds * * * in accordance with rules and regulations of the
213 Department of Finance and Administration in a manner consistent
214 with the escalation of federal funds.

215 (b) (i) The Mississippi Development Authority may
216 provide to the Mississippi Department of Agriculture and Commerce
217 not more than One Hundred Twenty-five Thousand Dollars
218 (\$125,000.00), in the aggregate, of monies in the fund that are
219 derived from proceeds of bonds issued under Sections 1 through 16
220 of Chapter 505, Laws of 2003, and One Hundred Twenty-five Thousand
221 Dollars (\$125,000.00), in the aggregate, of monies in the fund
222 that are derived from proceeds of bonds issued under Sections 72
223 through 87 of Chapter 1, Laws of 2004 Third Extraordinary Session,
224 for the purpose of providing additional funds to defray costs
225 incurred by the department in assisting the authority in carrying
226 out the provisions of the Mississippi Land, Water and Timber
227 Resources Act. However, the Mississippi Department of Agriculture
228 and Commerce may not use any portion of such funds for the purpose

229 of hiring any person as an employee as defined in Section
230 25-3-91(c). The Mississippi Department of Agriculture and
231 Commerce may escalate its budget and expend such funds, when
232 provided by the authority, in accordance with rules and
233 regulations of the Department of Finance and Administration in a
234 manner consistent with the escalation of federal funds.

235 (ii) The * * * Mississippi Development Authority
236 may utilize not more than One Hundred Twenty-five Thousand Dollars
237 (\$125,000.00), in the aggregate, of monies in the fund that are
238 derived from proceeds of bonds issued under Sections 1 through 16
239 of Chapter 505, Laws of 2003, and One Hundred Twenty-five Thousand
240 Dollars (\$125,000.00), in the aggregate, of monies in the fund
241 that are derived from proceeds of bonds issued under Sections 72
242 through 87 of Chapter 1, Laws of 2004 Third Extraordinary Session,
243 for the purpose of providing additional funds to defray costs
244 incurred by the Mississippi Development Authority in * * *
245 carrying out the provisions of the Mississippi Land, Water and
246 Timber Resources Act. However, the Mississippi Development
247 Authority may not use any portion of such funds for the purpose of
248 hiring any person as an employee as defined in Section 25-3-91(c).
249 The Mississippi Development Authority may escalate its budget and
250 expend such funds * * * in accordance with rules and regulations
251 of the Department of Finance and Administration in a manner
252 consistent with the escalation of federal funds.

253 (iii) The Mississippi Development Authority may
254 provide to the Department of Audit not more than Fifty Thousand
255 Dollars (\$50,000.00), in the aggregate, of monies in the fund that
256 are derived from proceeds of bonds issued under Sections 1 through
257 16 of Chapter 505, Laws of 2003, and Fifty Thousand Dollars
258 (\$50,000.00), in the aggregate, of monies in the fund that are
259 derived from proceeds of bonds issued under Sections 72 through 87
260 of Chapter 1, Laws of 2004 Third Extraordinary Session, for the
261 purpose of providing additional funds to defray costs incurred by

262 the department in assisting the authority in carrying out the
263 provisions of the Mississippi Land, Water and Timber Resources
264 Act. However, the Department of Audit may not use any portion of
265 such funds for the purpose of hiring any person as an employee as
266 defined in Section 25-3-91(c). The Department of Audit may
267 escalate its budget and expend such funds, when provided by the
268 authority, in accordance with rules and regulations of the
269 Department of Finance and Administration in a manner consistent
270 with the escalation of federal funds.

271 * * *

272 (3) In anticipation of the issuance of bonds authorized for
273 the purpose of providing funds for the Mississippi Land, Water and
274 Timber Resources Fund, the State Bond Commission is authorized to
275 negotiate and enter into any purchase, loan, credit or other
276 agreement with any bank, trust company or other lending
277 institution or to issue and sell interim notes for the purpose of
278 carrying out the provisions of the Mississippi Land, Water and
279 Timber Resources Act. All borrowings made under this
280 subsection * * * shall be evidenced by notes of the State of
281 Mississippi, which shall be issued from time to time, for such
282 amounts, in such form and in such denomination and subject to such
283 terms and conditions of sale and issuance, prepayment or
284 redemption and maturity, rate or rates of interest not to exceed
285 the maximum rate authorized for bonds in Section 75-17-101, and
286 time of payment of interest as the State Bond Commission shall
287 agree to in such agreement. Such notes shall constitute general
288 obligations of the State of Mississippi, and shall be backed by
289 the full faith and credit of the state. Such notes may also be
290 issued for the purpose of refunding previously issued notes. No
291 note shall mature more than three (3) years following the date of
292 its issuance. The State Bond Commission is authorized to provide
293 for the compensation of any purchaser of the notes by payment of a
294 fixed fee or commission and for all other costs and expenses of

295 issuance and service, including paying agent costs. Such costs
296 and expenses may be paid from the proceeds of the notes.
297 Borrowings made under the provisions of this subsection * * *
298 shall not exceed the aggregate sum of Five Million Dollars
299 (\$5,000,000.00) outstanding at any one time.

300 **SECTION 4.** Section 69-46-3, Mississippi Code of 1972, which
301 creates the Mississippi Land, Water and Timber Resources Board and
302 provides for its purpose, membership and meetings, is repealed.

303 **SECTION 5.** Section 1 of this act shall be codified in
304 Chapter 46, Title 69, Mississippi Code of 1972.

305 **SECTION 6.** This act shall take effect and be in force from
306 and after July 1, 2005.