

By: Representatives Dedeaux, Eaton, Barnett, Cockerham, Hudson, Moak, Montgomery, Vince, Arinder, Nicholson

To: Agriculture; Ways and Means

HOUSE BILL NO. 1572

1 AN ACT TO CREATE THE DAIRY INDUSTRY STABILIZATION ACT FOR THE
2 PURPOSE OF REVITALIZING THE DAIRY INDUSTRY AND INCREASING OUTPUT
3 OF DAIRY PRODUCTS IN THE STATE BY PROVIDING FINANCIAL ASSISTANCE
4 TO DAIRY PRODUCERS; TO CREATE THE DAIRY INDUSTRY STABILIZATION
5 FUND; TO PROVIDE THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY SHALL
6 ADMINISTER SUCH FUND FOR THE PURPOSE OF MAKING LOANS TO DAIRY
7 PRODUCERS TO ASSIST IN COMPLETING CERTAIN PROJECTS TO RESTORE
8 HURRICANE KATRINA DAMAGED DAIRIES, UPGRADE EQUIPMENT AND REFINANCE
9 DEBT; TO AUTHORIZE THE ISSUANCE OF \$10,000,000.00 IN STATE GENERAL
10 OBLIGATION BONDS TO PROVIDE FUNDS FOR THE DAIRY INDUSTRY
11 STABILIZATION FUND; TO BRING FORWARD SECTIONS 69-2-13, 69-2-15,
12 69-2-17, 69-2-19, 69-2-21, 69-2-23, 69-2-25, 69-2-27, 69-2-29,
13 69-2-30, 69-2-31, 69-2-33, 69-2-35, 69-2-37, 69-2-39, 69-2-40 AND
14 69-2-41, MISSISSIPPI CODE OF 1972, WHICH ESTABLISH THE EMERGING
15 CROPS FUND, FOR PURPOSES OF AMENDMENT; AND FOR RELATED PURPOSES.

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

17 **SECTION 1.** This act shall be known and may be cited as the
18 "Dairy Industry Stabilization Act."

19 **SECTION 2.** The Legislature hereby finds and declares that:

20 (a) Dairy products are basic foods that are a valuable
21 part of the human diet;

22 (b) The production of dairy products plays a
23 significant role in the state's economy, the milk from which dairy
24 products are manufactured is produced by milk producers and dairy
25 products are consumed by thousands of people throughout the state
26 and the United States;

27 (c) Dairy products must be readily available and
28 marketed efficiently to ensure that the people of the state
29 receive adequate nourishment;

30 (d) The maintenance and expansion of existing markets
31 for dairy products are vital to the welfare of milk producers and
32 those concerned with marketing, using and producing dairy
33 products, as well as to the general economy of the state;

34 (e) Dairy products move in intrastate, interstate and
35 foreign commerce;

36 **SECTION 3.** (1) For the purposes of this act, the following
37 words and phrases shall have the meanings ascribed in this section
38 unless the context clearly indicates otherwise:

39 (a) "Dairy products" means products manufactured for
40 human consumption which are derived from the processing of milk
41 and includes fluid milk products.

42 (b) "Fluid milk products" means those products normally
43 consumed in a liquid form as a beverage.

44 (c) "MDA" means the Mississippi Development Authority.

45 (d) "Milk" means any class of cow's milk produced in
46 the state.

47 (e) "Dairy producer" means any person engaged in the
48 production of milk for commercial use.

49 (2) It, therefore, is declared to be the policy of the
50 Legislature that it is in the public interest to authorize the
51 establishment, through the exercise of the powers provided in this
52 act, of an orderly procedure to provide financing and carrying out
53 a coordinate program of assistance designed to strengthen, restore
54 and modernize the state's dairy industry in the marketplace and to
55 maintain and expand the capability of dairy producers to increase
56 and meet, by one hundred percent (100%), the state's consumption
57 need of fluid milk products.

58 **SECTION 4.** (1) (a) There is created in the State Treasury
59 a special fund to be designated as the "Dairy Industry
60 Stabilization Fund," a revolving fund, which funds shall consist
61 of monies as provided in Sections 5 through 20 of this act. The
62 fund shall be maintained in perpetuity for the purposes
63 established in this act. Unexpended amounts remaining in the fund
64 at the end of a fiscal year shall not lapse into the State General
65 Fund, and any investment earnings or interest earned on amounts in
66 the fund shall be deposited to the credit of the fund. Monies in

67 the fund shall not be used for any purpose, except making loans
68 for the following purposes, based on priority as listed below:

69 (i) To restore dairies destroyed or damaged by
70 Hurricane Katrina;

71 (ii) Upgrades and modernization of equipment for
72 all dairy producers throughout the state; and

73 (iii) Refinancing existing debt of dairy producers
74 at zero percent (0%).

75 (b) Monies in the fund which are derived from proceeds
76 of bonds issued after the effective date of this act, may be used
77 to reimburse reasonable actual and necessary costs incurred by the
78 MDA in providing assistance to dairy producers for which funding
79 is provided under this section from the use of proceeds of such
80 bonds. An accounting of actual costs incurred for which
81 reimbursement is sought shall be maintained for each project by
82 the MDA. Reimbursement of reasonable actual and necessary costs
83 for a project shall not exceed three percent (3%) of the proceeds
84 of bonds issued for such project. Monies authorized for a
85 particular project may not be used to reimburse administrative
86 costs for unrelated projects. Reimbursements under this paragraph
87 (b) shall satisfy any applicable federal tax law requirements.

88 (2) The MDA shall establish a program to make loans to dairy
89 producers from the Dairy Industry Stabilization Fund. A dairy
90 producer may apply to the MDA for a loan under this section in the
91 manner provided in this section.

92 (3) A dairy producer desiring assistance under this section
93 must submit an application to the MDA. The application must
94 include a description of the project for which assistance is
95 requested, the cost of the project for which assistance is
96 requested and any other information required by the MDA. The MDA
97 may waive any requirements of the program established under this
98 section in order to expedite funding for unique projects.

99 (4) The MDA shall have all powers necessary to implement and
100 administer the program established under this section, and the MDA
101 shall promulgate rules and regulations, in accordance with the
102 Mississippi Administrative Procedures Law, necessary for the
103 implementation of this section.

104 **SECTION 5.** As used in Sections 5 through 20 of this act, the
105 following words shall have the meanings ascribed herein unless the
106 context clearly requires otherwise:

107 (a) "Accreted value" of any bonds means, as of any date
108 of computation, an amount equal to the sum of (i) the stated
109 initial value of such bond, plus (ii) the interest accrued thereon
110 from the issue date to the date of computation at the rate,
111 compounded semiannually, that is necessary to produce the
112 approximate yield to maturity shown for bonds of the same
113 maturity.

114 (b) "State" means the State of Mississippi.

115 (c) "Commission" means the State Bond Commission.

116 **SECTION 6.** (1) The Mississippi Development Authority, at
117 one time, or from time to time, may declare by resolution the
118 necessity for issuance of general obligation bonds of the State of
119 Mississippi to provide funds for the program authorized in Section
120 4 of this act. Upon the adoption of a resolution by the
121 Mississippi Development Authority, declaring the necessity for the
122 issuance of any part or all of the general obligation bonds
123 authorized by this section, the Mississippi Development Authority
124 shall deliver a certified copy of its resolution or resolutions to
125 the commission. Upon receipt of such resolution, the commission,
126 in its discretion, may act as the issuing agent, prescribe the
127 form of the bonds, advertise for and accept bids, issue and sell
128 the bonds so authorized to be sold and do any and all other things
129 necessary and advisable in connection with the issuance and sale
130 of such bonds. The total amount of bonds issued under Sections 5
131 through 20 of this act shall not exceed Ten Million Dollars

132 (\$10,000,000.00). No bonds authorized under Sections 5 through 20
133 of this act shall be issued after July 1, 2010.

134 (2) The proceeds of bonds issued pursuant to Sections 5
135 through 20 of this act shall be deposited into the Dairy Industry
136 Stabilization Fund created pursuant to Section 3 of this act. Any
137 investment earnings on bonds issued pursuant to Sections 5 through
138 20 of this act shall be used to pay debt service on bonds issued
139 under Sections 5 through 20 of this act, in accordance with the
140 proceedings authorizing issuance of such bonds.

141 **SECTION 7.** The principal of and interest on the bonds
142 authorized under Sections 5 through 20 of this act shall be
143 payable in the manner provided in this section. Such bonds shall
144 bear such date or dates, be in such denomination or denominations,
145 bear interest at such rate or rates (not to exceed the limits set
146 forth in Section 75-17-101, Mississippi Code of 1972), be payable
147 at such place or places within or without the State of
148 Mississippi, shall mature absolutely at such time or times not to
149 exceed twenty-five (25) years from date of issue, be redeemable
150 before maturity at such time or times and upon such terms, with or
151 without premium, shall bear such registration privileges, and
152 shall be substantially in such form, all as shall be determined by
153 resolution of the commission.

154 **SECTION 8.** The bonds authorized by Sections 5 through 20 of
155 this act shall be signed by the chairman of the commission, or by
156 his facsimile signature, and the official seal of the commission
157 shall be affixed thereto, attested by the secretary of the
158 commission. The interest coupons, if any, to be attached to such
159 bonds may be executed by the facsimile signatures of such
160 officers. Whenever any such bonds shall have been signed by the
161 officials designated to sign the bonds who were in office at the
162 time of such signing but who may have ceased to be such officers
163 before the sale and delivery of such bonds, or who may not have
164 been in office on the date such bonds may bear, the signatures of

165 such officers upon such bonds and coupons shall nevertheless be
166 valid and sufficient for all purposes and have the same effect as
167 if the person so officially signing such bonds had remained in
168 office until their delivery to the purchaser, or had been in
169 office on the date such bonds may bear. However, notwithstanding
170 anything herein to the contrary, such bonds may be issued as
171 provided in the Registered Bond Act of the State of Mississippi.

172 **SECTION 9.** All bonds and interest coupons issued under the
173 provisions of Sections 5 through 20 of this act have all the
174 qualities and incidents of negotiable instruments under the
175 provisions of the Uniform Commercial Code, and in exercising the
176 powers granted by Sections 5 through 20 of this act, the
177 commission shall not be required to and need not comply with the
178 provisions of the Uniform Commercial Code.

179 **SECTION 10.** The commission shall act as the issuing agent
180 for the bonds authorized under Sections 5 through 20 of this act,
181 prescribe the form of the bonds, advertise for and accept bids,
182 issue and sell the bonds so authorized to be sold, pay all fees
183 and costs incurred in such issuance and sale, and do any and all
184 other things necessary and advisable in connection with the
185 issuance and sale of such bonds. The commission is authorized and
186 empowered to pay the costs that are incident to the sale, issuance
187 and delivery of the bonds authorized under Sections 5 through 20
188 of this act from the proceeds derived from the sale of such bonds.
189 The commission shall sell such bonds on sealed bids at public
190 sale, and for such price as it may determine to be for the best
191 interest of the State of Mississippi, but no such sale shall be
192 made at a price less than par plus accrued interest to the date of
193 delivery of the bonds to the purchaser. All interest accruing on
194 such bonds so issued shall be payable semiannually or annually;
195 however, the first interest payment may be for any period of not
196 more than one (1) year.

197 Notice of the sale of any such bonds shall be published at
198 least one time, not less than ten (10) days before the date of
199 sale, and shall be so published in one or more newspapers
200 published or having a general circulation in the City of Jackson,
201 Mississippi, and in one or more other newspapers or financial
202 journals with a national circulation, to be selected by the
203 commission.

204 The commission, when issuing any bonds under the authority of
205 Sections 5 through 20 of this act, may provide that bonds, at the
206 option of the State of Mississippi, may be called in for payment
207 and redemption at the call price named therein and accrued
208 interest on such date or dates named therein.

209 **SECTION 11.** The bonds issued under the provisions of
210 Sections 5 through 20 of this act are general obligations of the
211 State of Mississippi, and for the payment thereof the full faith
212 and credit of the State of Mississippi is irrevocably pledged. If
213 the funds appropriated by the Legislature are insufficient to pay
214 the principal of and the interest on such bonds as they become
215 due, then the deficiency shall be paid by the State Treasurer from
216 any funds in the State Treasury not otherwise appropriated. All
217 such bonds shall contain recitals on their faces substantially
218 covering the provisions of this section.

219 **SECTION 12.** Upon the issuance and sale of bonds under the
220 provisions of Sections 5 through 20 of this act, the commission
221 shall transfer the proceeds of any such sale or sales to the Dairy
222 Industry Stabilization Fund created in Section 3 of this act. The
223 proceeds of such bonds shall be disbursed solely upon the order of
224 the Mississippi Development Authority under such restrictions, if
225 any, as may be contained in the resolution providing for the
226 issuance of the bonds.

227 **SECTION 13.** The bonds authorized under Sections 5 through 20
228 of this act may be issued without any other proceedings or the
229 happening of any other conditions or things other than those

230 proceedings, conditions and things which are specified or required
231 by Sections 5 through 20 of this act. Any resolution providing
232 for the issuance of bonds under the provisions of Sections 5
233 through 20 of this act shall become effective immediately upon its
234 adoption by the commission, and any such resolution may be adopted
235 at any regular or special meeting of the commission by a majority
236 of its members.

237 **SECTION 14.** The bonds authorized under the authority of
238 Sections 5 through 20 of this act may be validated in the Chancery
239 Court of the First Judicial District of Hinds County, Mississippi,
240 in the manner and with the force and effect provided by Chapter
241 13, Title 31, Mississippi Code of 1972, for the validation of
242 county, municipal, school district and other bonds. The notice to
243 taxpayers required by such statutes shall be published in a
244 newspaper published or having a general circulation in the City of
245 Jackson, Mississippi.

246 **SECTION 15.** Any holder of bonds issued under the provisions
247 of Sections 5 through 20 of this act or of any of the interest
248 coupons pertaining thereto may, either at law or in equity, by
249 suit, action, mandamus or other proceeding, protect and enforce
250 any and all rights granted under Sections 5 through 20 of this
251 act, or under such resolution, and may enforce and compel
252 performance of all duties required by Sections 5 through 20 of
253 this act to be performed, in order to provide for the payment of
254 bonds and interest thereon.

255 **SECTION 16.** All bonds issued under the provisions of
256 Sections 5 through 20 of this act shall be legal investments for
257 trustees and other fiduciaries, and for savings banks, trust
258 companies and insurance companies organized under the laws of the
259 State of Mississippi, and such bonds shall be legal securities
260 which may be deposited with and shall be received by all public
261 officers and bodies of this state and all municipalities and

262 political subdivisions for the purpose of securing the deposit of
263 public funds.

264 **SECTION 17.** Bonds issued under the provisions of Sections 5
265 through 20 of this act and income therefrom shall be exempt from
266 all taxation in the State of Mississippi.

267 **SECTION 18.** The proceeds of the bonds issued under Sections
268 5 through 20 of this act shall be used solely for the purposes
269 therein provided, including the costs incident to the issuance and
270 sale of such bonds.

271 **SECTION 19.** The State Treasurer is authorized, without
272 further process of law, to certify to the Department of Finance
273 and Administration the necessity for warrants, and the Department
274 of Finance and Administration is authorized and directed to issue
275 such warrants, in such amounts as may be necessary to pay when due
276 the principal of, premium, if any, and interest on, or the
277 accreted value of, all bonds issued under Sections 5 through 20 of
278 this act; and the State Treasurer shall forward the necessary
279 amount to the designated place or places of payment of such bonds
280 in ample time to discharge such bonds, or the interest thereon, on
281 the due dates thereof.

282 **SECTION 20.** Sections 5 through 20 of this act shall be
283 deemed to be full and complete authority for the exercise of the
284 powers therein granted, but Sections 5 through 20 of this act
285 shall not be deemed to repeal or to be in derogation of any
286 existing law of this state.

287 **SECTION 21.** Section 69-2-13, Mississippi Code of 1972, is
288 brought forward as follows:

289 69-2-13. (1) There is hereby established in the State
290 Treasury a fund to be known as the "Emerging Crops Fund," which
291 shall be used to pay the interest on loans made to farmers for
292 nonland capital costs of establishing production of emerging crops
293 on land in Mississippi, and to make loans and grants which are
294 authorized under this section to be made from the fund. The fund

295 shall be administered by the Mississippi Development Authority. A
296 board comprised of the directors of the authority, the Mississippi
297 Cooperative Extension Service, the Mississippi Small Farm
298 Development Center and the Mississippi Agricultural and Forestry
299 Experiment Station, or their designees, shall develop definitions,
300 guidelines and procedures for the implementation of this chapter.
301 Funds for the Emerging Crops Fund shall be provided from the
302 issuance of bonds or notes under Sections 69-2-19 through 69-2-37
303 and from repayment of interest loans made from the fund.

304 (2) (a) The Mississippi Development Authority shall develop
305 a program which gives fair consideration to making loans for the
306 processing and manufacturing of goods and services by
307 agribusiness, greenhouse production horticulture, and small
308 business concerns. It is the policy of the State of Mississippi
309 that the Mississippi Development Authority shall give due
310 recognition to and shall aid, counsel, assist and protect, insofar
311 as is possible, the interests of agribusiness, greenhouse
312 production horticulture, and small business concerns. To ensure
313 that the purposes of this subsection are carried out, the
314 Mississippi Development Authority shall loan not more than One
315 Million Dollars (\$1,000,000.00) to finance any single
316 agribusiness, greenhouse production horticulture, or small
317 business concern. Loans made pursuant to this subsection shall be
318 made in accordance with the criteria established in Section
319 57-71-11.

320 (b) The Mississippi Development Authority may, out of
321 the total amount of bonds authorized to be issued under this
322 chapter, make available funds to any planning and development
323 district in accordance with the criteria established in Section
324 57-71-11. Planning and development districts which receive monies
325 pursuant to this provision shall use such monies to make loans to
326 private companies for purposes consistent with this subsection.

327 (c) The Mississippi Development Authority is hereby
328 authorized to engage legal services, financial advisors,
329 appraisers and consultants if needed to review and close loans
330 made hereunder and to establish and assess reasonable fees,
331 including, but not limited to, liquidation expenses.

332 (3) (a) The Mississippi Development Authority shall, in
333 addition to the other programs described in this section, provide
334 for a program of loans to be made to agribusiness or greenhouse
335 production horticulture enterprises for the purpose of encouraging
336 thereby the extension of conventional financing and the issuance
337 of letters of credit to such agribusiness or greenhouse production
338 horticulture enterprises by private institutions. Monies to make
339 such loans by the Mississippi Development Authority shall be drawn
340 from the Emerging Crops Fund. The amount of a loan to any single
341 agribusiness or greenhouse production horticulture enterprise
342 under this paragraph (a) shall not exceed twenty percent (20%) of
343 the total cost of the project for which financing is sought or Two
344 Hundred Thousand Dollars (\$200,000.00), whichever is less. No
345 interest shall be charged on such loans, and only the amount
346 actually loaned shall be required to be repaid. Repayments shall
347 be deposited into the Emerging Crops Fund.

348 (b) The Mississippi Development Authority shall, in
349 addition to the other programs described in this section, provide
350 for a program of loans or loan guaranties, or both, to be made to
351 or on behalf of any agribusiness enterprise engaged in beef
352 processing for the purpose of encouraging thereby the extension of
353 conventional financing and the issuance of letters of credit to
354 such agribusiness enterprises by private institutions. Monies to
355 make such loans or loan guaranties, or both, by the Mississippi
356 Development Authority shall be drawn from the Emerging Crops Fund
357 and shall not exceed Thirty-five Million Dollars (\$35,000,000.00)
358 in the aggregate. The amount of a loan to any single agribusiness
359 enterprise or loan guaranty on behalf of such agribusiness

360 enterprise, or both, under this paragraph (b) shall not exceed the
361 total cost of the project for which financing is sought or
362 Thirty-five Million Dollars (\$35,000,000.00), whichever is less.
363 The interest charged on a loan made under this paragraph (b) shall
364 be at a rate determined by the Mississippi Development Authority.
365 All repayments of any loan made under this paragraph (b) shall be
366 deposited into the Emerging Crops Fund. Assistance received by an
367 agribusiness enterprise under this paragraph (b) shall not
368 disqualify the agribusiness enterprise from obtaining any other
369 assistance under this chapter.

370 (4) (a) Through June 30, 2010, the Mississippi Development
371 Authority may loan or grant to qualified planning and development
372 districts, and to small business investment corporations,
373 bank-based community development corporations, the Recruitment and
374 Training Program, Inc., the City of Jackson Business Development
375 Loan Fund, the Lorman Southwest Mississippi Development
376 Corporation, the West Jackson Community Development Corporation,
377 the East Mississippi Development Corporation, and other entities
378 meeting the criteria established by the Mississippi Development
379 Authority (all referred to hereinafter as "qualified entities"),
380 funds for the purpose of establishing loan revolving funds to
381 assist in providing financing for minority economic development.
382 The monies loaned or granted by the Mississippi Development
383 Authority shall be drawn from the Emerging Crops Fund and shall
384 not exceed Twenty-six Million Dollars (\$26,000,000.00) in the
385 aggregate. Planning and development districts or qualified
386 entities which receive monies pursuant to this provision shall use
387 such monies to make loans to minority business enterprises
388 consistent with criteria established by the Mississippi
389 Development Authority. Such criteria shall include, at a minimum,
390 the following:

391 (i) The business enterprise must be a private,
392 for-profit enterprise.

393 (ii) If the business enterprise is a
394 proprietorship, the borrower must be a resident citizen of the
395 State of Mississippi; if the business enterprise is a corporation
396 or partnership, at least fifty percent (50%) of the owners must be
397 resident citizens of the State of Mississippi.

398 (iii) The borrower must have at least five percent
399 (5%) equity interest in the business enterprise.

400 (iv) The borrower must demonstrate ability to
401 repay the loan.

402 (v) The borrower must not be in default of any
403 previous loan from the state or federal government.

404 (vi) Loan proceeds may be used for financing all
405 project costs associated with development or expansion of a new
406 small business, including fixed assets, working capital, start-up
407 costs, rental payments, interest expense during construction and
408 professional fees related to the project.

409 (vii) Loan proceeds shall not be used to pay off
410 existing debt for loan consolidation purposes; to finance the
411 acquisition, construction, improvement or operation of real
412 property which is to be held primarily for sale or investment; to
413 provide for, or free funds, for speculation in any kind of
414 property; or as a loan to owners, partners or stockholders of the
415 applicant which do not change ownership interest by the applicant.
416 However, this does not apply to ordinary compensation for services
417 rendered in the course of business.

418 (viii) The maximum amount that may be loaned to
419 any one (1) borrower shall be Two Hundred Fifty Thousand Dollars
420 (\$250,000.00).

421 (ix) The Mississippi Development Authority shall
422 review each loan before it is made, and no loan shall be made to
423 any borrower until the loan has been reviewed and approved by the
424 Mississippi Development Authority.

425 (b) For the purpose of this subsection, the term
426 "minority business enterprise" means a socially and economically
427 disadvantaged small business concern, organized for profit,
428 performing a commercially useful function which is owned and
429 controlled by one or more minorities or minority business
430 enterprises certified by the Mississippi Development Authority, at
431 least fifty percent (50%) of whom are resident citizens of the
432 State of Mississippi. Except as otherwise provided, for purposes
433 of this subsection, the term "socially and economically
434 disadvantaged small business concern" shall have the meaning
435 ascribed to such term under the Small Business Act (15 USCS,
436 Section 637(a)), or women, and the term "owned and controlled"
437 means a business in which one or more minorities or minority
438 business enterprises certified by the Mississippi Development
439 Authority own sixty percent (60%) or, in the case of a
440 corporation, sixty percent (60%) of the voting stock, and control
441 sixty percent (60%) of the management and daily business
442 operations of the business. However, an individual whose personal
443 net worth exceeds Five Hundred Thousand Dollars (\$500,000.00)
444 shall not be considered to be an economically disadvantaged
445 individual.

446 From and after July 1, 2010, monies not loaned or granted by
447 the Mississippi Development Authority to planning and development
448 districts or qualified entities under this subsection, and monies
449 not loaned by planning and development districts or qualified
450 entities, shall be deposited to the credit of the sinking fund
451 created and maintained in the State Treasury for the retirement of
452 bonds issued under Section 69-2-19.

453 (c) Notwithstanding any other provision of this
454 subsection to the contrary, if federal funds are not available for
455 commitments made by a planning and development district to provide
456 assistance under any federal loan program administered by the
457 planning and development district in coordination with the

458 Appalachian Regional Commission or Economic Development
459 Administration, or both, a planning and development district may
460 use funds in its loan revolving fund, which have not been
461 committed otherwise to provide assistance, for the purpose of
462 providing temporary funding for such commitments. If a planning
463 and development district uses uncommitted funds in its loan
464 revolving fund to provide such temporary funding, the district
465 shall use funds repaid to the district under the temporarily
466 funded federal loan program to replenish the funds used to provide
467 the temporary funding. Funds used by a planning and development
468 district to provide temporary funding under this paragraph (c)
469 must be repaid to the district's loan revolving fund no later than
470 twelve (12) months after the date the district provides the
471 temporary funding. A planning and development district may not
472 use uncommitted funds in its loan revolving fund to provide
473 temporary funding under this paragraph (c) on more than two (2)
474 occasions during a calendar year. A planning and development
475 district may provide temporary funding for multiple commitments on
476 each such occasion. The maximum aggregate amount of uncommitted
477 funds in a loan revolving fund that may be used for such purposes
478 during a calendar year shall not exceed seventy percent (70%) of
479 the uncommitted funds in the loan revolving fund on the date the
480 district first provides temporary funding during the calendar
481 year.

482 (d) If the Mississippi Development Authority determines
483 that a planning and development district or qualified entity has
484 provided loans to minority businesses in a manner inconsistent
485 with the provisions of this subsection, then the amount of such
486 loans so provided shall be withheld by the Mississippi Development
487 Authority from any additional grant funds to which the planning
488 and development district or qualified entity becomes entitled
489 under this subsection. If the Mississippi Development Authority
490 determines, after notifying such planning and development district

491 or qualified entity twice in writing and providing such planning
492 and development district or qualified entity a reasonable
493 opportunity to comply, that a planning and development district or
494 qualified entity has consistently failed to comply with this
495 subsection, the Mississippi Development Authority may declare such
496 planning and development district or qualified entity in default
497 under this subsection and, upon receipt of notice thereof from the
498 Mississippi Development Authority, such planning and development
499 district or qualified entity shall immediately cease providing
500 loans under this subsection, shall refund to the Mississippi
501 Development Authority for distribution to other planning and
502 development districts or qualified entities all funds held in its
503 revolving loan fund and, if required by the Mississippi
504 Development Authority, shall convey to the Mississippi Development
505 Authority all administrative and management control of loans
506 provided by it under this subsection.

507 (e) If the Mississippi Development Authority
508 determines, after notifying a planning and development district or
509 qualified entity twice in writing and providing copies of such
510 notification to each member of the Legislature in whose district
511 or in a part of whose district such planning and development
512 district or qualified entity is located and providing such
513 planning and development district or qualified entity a reasonable
514 opportunity to take corrective action, that a planning and
515 development district or qualified entity administering a revolving
516 loan fund under the provisions of this subsection is not actively
517 engaged in lending as defined by the rules and regulations of the
518 Mississippi Development Authority, the Mississippi Development
519 Authority may declare such planning and development district or
520 qualified entity in default under this subsection and, upon
521 receipt of notice thereof from the Mississippi Development
522 Authority, such planning and development district or qualified
523 entity shall immediately cease providing loans under this

524 subsection, shall refund to the Mississippi Development Authority
525 for distribution to other planning and development districts or
526 qualified entities all funds held in its revolving loan fund and,
527 if required by the Mississippi Development Authority, shall convey
528 to the Mississippi Development Authority all administrative and
529 management control of loans provided by it under this subsection.

530 (5) The Mississippi Development Authority shall develop a
531 program which will assist minority business enterprises by
532 guaranteeing bid, performance and payment bonds which such
533 minority businesses are required to obtain in order to contract
534 with federal agencies, state agencies or political subdivisions of
535 the state. Monies for such program shall be drawn from the monies
536 allocated under subsection (4) of this section to assist the
537 financing of minority economic development and shall not exceed
538 Three Million Dollars (\$3,000,000.00) in the aggregate. The
539 Mississippi Development Authority may promulgate rules and
540 regulations for the operation of the program established pursuant
541 to this subsection. For the purpose of this subsection (5) the
542 term "minority business enterprise" has the meaning assigned such
543 term in subsection (4) of this section.

544 (6) The Mississippi Development Authority may loan or grant
545 to public entities and to nonprofit corporations funds to defray
546 the expense of financing (or to match any funds available from
547 other public or private sources for the expense of financing)
548 projects in this state which are devoted to the study, teaching
549 and/or promotion of regional crafts and which are deemed by the
550 authority to be significant tourist attractions. The monies
551 loaned or granted shall be drawn from the Emerging Crops Fund and
552 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)
553 in the aggregate.

554 (7) Through June 30, 2006, the Mississippi Development
555 Authority shall make available to the Mississippi Department of
556 Agriculture and Commerce funds for the purpose of establishing

557 loan revolving funds and other methods of financing for
558 agribusiness programs administered under the Mississippi
559 Agribusiness Council Act of 1993. The monies made available by
560 the Mississippi Development Authority shall be drawn from the
561 Emerging Crops Fund and shall not exceed One Million Two Hundred
562 Thousand Dollars (\$1,200,000.00) in the aggregate. The
563 Mississippi Department of Agriculture and Commerce shall establish
564 control and auditing procedures for use of these funds. These
565 funds will be used primarily for quick payment to farmers for
566 vegetable and fruit crops processed and sold through vegetable
567 processing plants associated with the Department of Agriculture
568 and Commerce and the Mississippi State Extension Service.

569 (8) From and after July 1, 1996, the Mississippi Development
570 Authority shall make available to the Mississippi Small Farm
571 Development Center One Million Dollars (\$1,000,000.00) to be used
572 by the center to assist small entrepreneurs as provided in Section
573 37-101-25, Mississippi Code of 1972. The monies made available by
574 the Mississippi Development Authority shall be drawn from the
575 Emerging Crops Fund.

576 (9) The Mississippi Development Authority shall make
577 available to the Agribusiness and Natural Resource Development
578 Center through Alcorn State University an amount not to exceed Two
579 Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal year 2001
580 and Two Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal
581 year 2002 from the cash balance of the Emerging Crops Fund to
582 support the development of a cooperative program for agribusiness
583 development, marketing and natural resources development. This
584 subsection (9) shall stand repealed on June 30, 2006.

585 (10) The Mississippi Development Authority shall make
586 available to the Small Farm Development Center at Alcorn State
587 University funds in an aggregate amount not to exceed Three
588 Hundred Thousand Dollars (\$300,000.00), to be drawn from the cash
589 balance of the Emerging Crops Fund. The Small Farm Development

590 Center at Alcorn State University shall use such funds to make
591 loans to producers of sweet potatoes and cooperatives anywhere in
592 the State of Mississippi owned by sweet potato producers to assist
593 in the planting of sweet potatoes and the purchase of sweet potato
594 production and harvesting equipment. A report of the loans made
595 under this subsection shall be furnished by January 15 of each
596 year to the Chairman of the Senate Agriculture Committee and the
597 Chairman of the House Agriculture Committee.

598 (11) The Mississippi Development Authority shall make
599 available to the Mississippi Department of Agriculture and
600 Commerce "Make Mine Mississippi" program an amount not to exceed
601 One Hundred Fifty Thousand Dollars (\$150,000.00) to be drawn from
602 the cash balance of the Emerging Crops Fund.

603 (12) The Mississippi Development Authority shall make
604 available to the Mississippi Department of Agriculture and
605 Commerce an amount not to exceed One Hundred Fifty Thousand
606 Dollars (\$150,000.00) to be drawn from the cash balance of the
607 Emerging Crops Fund to be used for the rehabilitation and
608 maintenance of the Mississippi Farmers Central Market in Jackson,
609 Mississippi.

610 (13) The Mississippi Development Authority shall make
611 available to the Mississippi Department of Agriculture and
612 Commerce an amount not to exceed Twenty-five Thousand Dollars
613 (\$25,000.00) to be drawn from the cash balance of the Emerging
614 Crops Fund to be used for advertising purposes related to the
615 Mississippi Farmers Central Market in Jackson, Mississippi.

616 (14) (a) The Mississippi Development Authority shall, in
617 addition to the other programs described in this section, provide
618 for a program of loan guaranties to be made on behalf of any
619 nonprofit entity qualified under Section 501(c)(3) of the Internal
620 Revenue Code and certified by the United States Department of the
621 Treasury as a community development financial institution for the
622 purpose of encouraging the extension of financing to such an

623 entity which financing the entity will use to make funds available
624 to other entities for the purpose of making loans available in
625 low-income communities in Mississippi. Monies to make such loan
626 guaranties by the Mississippi Development Authority shall be drawn
627 from the Emerging Crops Fund and shall not exceed Two Million
628 Dollars (\$2,000,000.00) in the aggregate. The amount of a loan
629 guaranty on behalf of such an entity under this subsection (14)
630 shall not exceed Two Million Dollars (\$2,000,000.00). Assistance
631 received by an entity under this subsection (14) shall not
632 disqualify the entity from obtaining any other assistance under
633 this chapter.

634 (b) An entity desiring assistance under this subsection
635 (14) must submit an application to the Mississippi Development
636 Authority. The application must include any information required
637 by the Mississippi Development Authority.

638 (c) The Mississippi Development Authority shall have
639 all powers necessary to implement and administer the program
640 established under this subsection (14), and the Mississippi
641 Development Authority shall promulgate rules and regulations, in
642 accordance with the Mississippi Administrative Procedures Law,
643 necessary for the implementation of this subsection (14).

644 **SECTION 22.** Section 69-2-15, Mississippi Code of 1972, is
645 brought forward as follows:

646 69-2-15. (1) Any lender which has made a loan to a farmer
647 to finance the nonland capital costs of establishing production of
648 an emerging crop on land in Mississippi may make application to
649 the department for payment of the interest on the loan during the
650 period from beginning of production to harvest or initial sale of
651 the product, which payment shall be made from the fund. The
652 maximum amount of interest loans from the fund for the benefit of
653 any one (1) farmer shall be Fifty Thousand Dollars (\$50,000.00).
654 During the period that the department pays the interest on a loan,
655 the maximum rate of interest which may be charged on the loan by

656 the lender shall be four percent (4%) per annum above the New York
657 prime rate. By payment of the interest on a loan, neither the
658 department nor the State of Mississippi shall be a guarantor of
659 the loan, but the state shall have a lien junior to any lien that
660 the lender may have on the loan.

661 (2) If a farmer defaults on the interest loan the Attorney
662 General of the State of Mississippi shall take the necessary legal
663 action, as soon as practicable, to recover the monies due and
664 owing to the State of Mississippi. A suit against a defaulting
665 party under this section may be brought in the county in which the
666 lender is located, or in any Hinds County court.

667 **SECTION 23.** Section 69-2-17, Mississippi Code of 1972, is
668 brought forward as follows:

669 69-2-17. (1) Repayment of the interest loan from the fund
670 shall be deferred for a period of time not more than five (5)
671 years or the time when the emerging crop should reach maturity.
672 The schedule for repayment of the interest loan shall be a period
673 of time equal to two (2) times the period that interest is paid on
674 the loan for that emerging crop from the fund. No interest shall
675 be charged on interest loans from the fund, and only the amount
676 actually loaned from the fund shall be required to be repaid.

677 (2) Repayment of interest loans from the fund shall be made
678 to the lender, which shall remit the amounts collected to the
679 department for deposit into the fund. However, if the repayment
680 period for an interest loan exceeds the time for repayment of the
681 principal loan amount to the lender, when the final principal
682 payment is made to the lender all subsequent interest loan
683 payments shall be made by the farmer, directly to the department
684 to be deposited into the fund.

685 (3) The lender shall notify the department, as soon as
686 possible, of any change in the principal loan status, release of
687 collateral or any other matter that may adversely affect the
688 security of the state's loan.

689 **SECTION 24.** Section 69-2-19, Mississippi Code of 1972, is
690 brought forward as follows:

691 69-2-19. (1) The Mississippi Development Authority is
692 authorized, at one time, or from time to time, to declare by
693 resolution the necessity for issuance of negotiable general
694 obligation bonds of the State of Mississippi to provide funds for
695 the Emerging Crops Fund established in Section 69-2-13. Upon the
696 adoption of a resolution by the board, declaring the necessity for
697 the issuance of any part or all of the general obligation bonds
698 authorized by Sections 69-2-19 through 69-2-39, the authority
699 shall deliver a certified copy of its resolution or resolutions to
700 the State Bond Commission. Upon receipt of same, the State Bond
701 Commission, in its discretion, shall act as the issuing agent,
702 prescribe the form of the bonds, advertise for and accept bids,
703 issue and sell the bonds so authorized to be sold, and do any and
704 all other things necessary and advisable in connection with the
705 issuance and sale of such bonds. The amount of bonds issued under
706 Sections 69-2-19 through 69-2-39 shall not exceed One Hundred Five
707 Million Dollars (\$105,000,000.00) in the aggregate; however:

708 (a) An additional amount of bonds may be issued under
709 Sections 69-2-19 through 69-2-39 in an amount not to exceed
710 Thirty-five Million Dollars (\$35,000,000.00), and the proceeds of
711 any such additional bonds shall be used solely for the purposes
712 described in Section 69-2-13(3)(b); and

713 (b) An additional amount of bonds may be issued under
714 Sections 69-2-19 through 69-2-39 in an amount not to exceed Two
715 Million Dollars (\$2,000,000.00), and the proceeds of any such
716 additional bonds shall be used solely for the purposes described
717 in Section 69-2-13(14).

718 (2) No bonds may be issued under Sections 69-2-19 through
719 69-2-39 after October 1, 2019.

720 **SECTION 25.** Section 69-2-21, Mississippi Code of 1972, is
721 brought forward as follows:

722 69-2-21. For the payment of such bonds and the interest
723 thereon, the full faith, credit, and taxing power of the State of
724 Mississippi are hereby irrevocably pledged. If the Legislature
725 finds that there are sufficient funds available in the General
726 Fund of the State Treasury to pay maturing principal and accruing
727 interest of the bonds, and if the Legislature appropriates such
728 available funds for the purpose of paying such maturing principal
729 and accruing interest, then the maturing principal and accruing
730 interest of the bonds shall be paid from appropriations made by
731 the Legislature from the General Fund of the State Treasury.
732 However, if there are not sufficient funds available in the
733 General Fund of the State Treasury to pay the maturing principal
734 and accruing interest of the bonds, or if such funds are available
735 but the Legislature fails to appropriate a sufficient amount
736 thereof to pay such maturing principal and accruing interest as
737 the same becomes due, then there shall be levied annually upon all
738 taxable property in the State of Mississippi an ad valorem tax at
739 the rate sufficient to provide the funds required to pay the bonds
740 at maturity and the interest on the bonds as it accrues.

741 **SECTION 26.** Section 69-2-23, Mississippi Code of 1972, is
742 brought forward as follows:

743 69-2-23. Such bonds may be executed and delivered by the
744 state at any time and from time to time, may be in such form and
745 denominations and of such terms and maturities, may be in fully
746 registered form or in bearer form registrable either as to
747 principal or interest or both, may bear such conversion privileges
748 and be payable in such installments and at such time or times not
749 exceeding twenty (20) years from the date thereof, may be payable
750 at such place or places, whether within or without the State of
751 Mississippi, may bear interest payable at such time or times and
752 at such place or places and evidenced in such manner, and may
753 contain such provisions not inconsistent herewith, all as shall be
754 provided in the proceedings of the State Bond Commission under

755 which the bonds are authorized to be issued. Such bonds shall not
756 bear a greater overall maximum interest rate to maturity than that
757 authorized by law for general obligation bonds. If deemed
758 advisable by the State Bond Commission, there may be retained in
759 the proceedings under which any such bonds are authorized to be
760 issued an option to redeem all or any part thereof as may be
761 specified in such proceedings, at such price or prices and after
762 such notice or notices and on such terms and conditions as may be
763 set forth in such proceedings and briefly recited or referred to
764 on the face of the bonds, but nothing herein contained shall be
765 construed to confer on the state any right or option to redeem any
766 bonds, except as may be provided in the proceedings under which
767 they shall be issued. Any such bonds shall be sold on sealed bids
768 at public sale, and for such price as the State Bond Commission
769 determines to be in the best interest of the State of Mississippi,
770 but no such sale shall be made at a price less than par value plus
771 accrued interest to date of delivery of the bonds to the
772 purchaser. The state may pay all expenses, premiums and
773 commissions which the State Bond Commission may deem necessary or
774 advantageous in connection with the issuance thereof, but solely
775 from the proceeds of the bonds. The issuance by the state of one
776 or more series of bonds shall not preclude it from issuing other
777 series of bonds, but the proceedings under which any subsequent
778 bonds may be issued shall recognize and protect any prior pledge
779 made for any prior issuance of bonds.

780 **SECTION 27.** Section 69-2-25, Mississippi Code of 1972, is
781 brought forward as follows:

782 69-2-25. No bond issued under Sections 69-2-19 through
783 69-2-39 of this chapter shall bear more than one (1) rate of
784 interest; each bond shall bear interest from its date to its
785 stated maturity date at the interest rate specified on the bonds;
786 and all bonds of the same maturity shall bear the same rate of
787 interest from date to maturity. All interest accruing on bonds

788 shall be payable semiannually or annually, except the first
789 interest coupon attached to any bond may be for any period not
790 exceeding one (1) year. If bonds are issued in coupon form, no
791 interest payment shall be evidenced by more than one (1) coupon,
792 and neither cancelled nor supplemental coupons shall be permitted.
793 If serial bonds, such bonds shall mature annually, and the first
794 maturity date thereof shall not be more than five (5) years from
795 the date of such bonds.

796 **SECTION 28.** Section 69-2-27, Mississippi Code of 1972, is
797 brought forward as follows:

798 69-2-27. Notice of the sale of any such bonds shall be
799 published at least one (1) time which shall be made not less than
800 ten (10) days prior to the date of sale, and shall be so published
801 in one or more newspapers having a general circulation in the City
802 of Jackson and in one or more other newspapers or financial
803 journals with a large national circulation, to be selected by the
804 State Bond Commission.

805 **SECTION 29.** Section 69-2-29, Mississippi Code of 1972, is
806 brought forward as follows:

807 69-2-29. All bonds shall be executed on behalf of the state
808 by the manual or facsimile signature of the Chairman of the State
809 Bond Commission and shall be countersigned by the manual or
810 facsimile signature of the Secretary of the State Bond Commission.
811 All coupons shall be executed on behalf of the state by the
812 facsimile signatures of the Chairman and Secretary of the State
813 Bond Commission. If the officers whose signatures or
814 countersignatures appear on the bonds or interest coupons shall
815 cease to be such officers before delivery of the bonds, such
816 signatures or countersignatures shall nevertheless be valid and
817 sufficient for all purposes, the same as if they had remained in
818 office until such delivery, or had been in office on the date such
819 bonds may bear.

820 **SECTION 30.** Section 69-2-30, Mississippi Code of 1972, is
821 brought forward as follows:

822 69-2-30. (1) In lieu of the issuance of bonds pursuant to
823 the authority granted in Section 69-2-19, Mississippi Code of
824 1972, the State Bond Commission is authorized and empowered, if
825 more economically feasible, to borrow funds in an aggregate
826 principal amount not to exceed the amount specified in Section
827 69-2-19, Mississippi Code of 1972. The Bond Commission, to
828 evidence such loan, may issue and sell the negotiable coupon notes
829 of the State of Mississippi, which notes may be issued in series,
830 from time to time, as the proceeds thereof are needed. The notes
831 shall be in such form and shall have such details as may be
832 provided by the commission, except that the notes of each series
833 shall be issued with final maturity not more than five (5) years
834 from the date of such series. For the prompt payment of such
835 notes at maturity, both principal and interest, the same pledges
836 may be made as are authorized for the repayment of bonds in
837 Section 69-2-21, Mississippi Code of 1972.

838 (2) The notes herein authorized shall be sold from time to
839 time by the Bond Commission as the need for the proceeds thereof
840 may arise, and the Bond Commission shall advertise and accept bids
841 therefor and issue and sell such notes at a price which will
842 result in the lowest interest rate on the best terms obtainable
843 for the state.

844 (3) The Bond Commission in providing for the issuance of the
845 notes herein authorized shall have discretion in fixing the terms
846 and details thereof and may provide for the issuance of such notes
847 in such form, executed in such manner, and payable at such place
848 or places, and containing such terms, covenants and provisions as
849 the Bond Commission may provide.

850 **SECTION 31.** Section 69-2-31, Mississippi Code of 1972, is
851 brought forward as follows:

852 69-2-31. Upon the issuance and sale of bonds or notes, the
853 State Bond Commission shall transfer the proceeds of any such sale
854 or sales to the Emerging Crops Fund. The proceeds of such bonds
855 or notes shall be disbursed solely upon the order of the
856 department under such restrictions, if any, as may be contained in
857 the resolution providing for the issuance of the bonds or notes.

858 **SECTION 32.** Section 69-2-33, Mississippi Code of 1972, is
859 brought forward as follows:

860 69-2-33. The Attorney General of the State of Mississippi
861 shall represent the department in issuing, selling and validating
862 bonds or notes authorized under Sections 69-2-19 through 69-2-39
863 of this chapter, and the department is authorized to pay from the
864 proceeds derived from the sale of such bonds or notes, or from
865 other funds available to the department, the reasonable cost of
866 approving attorney's fees, validating, printing and cost of
867 delivery of such bonds or notes.

868 **SECTION 33.** Section 69-2-35, Mississippi Code of 1972, is
869 brought forward as follows:

870 69-2-35. Bonds or notes issued under Sections 69-2-19
871 through 69-2-39 of this chapter shall be legal investments for
872 commercial banks, trust companies, savings and loan associations,
873 and insurance companies organized under the laws of this state.

874 **SECTION 34.** Section 69-2-37, Mississippi Code of 1972, is
875 brought forward as follows:

876 69-2-37. All bonds or notes issued under Sections 69-2-19
877 through 69-2-39 of this chapter and the income therefrom shall be
878 exempt from all taxation in the State of Mississippi except gift,
879 transfer and inheritance taxes.

880 **SECTION 35.** Section 69-2-39, Mississippi Code of 1972, is
881 brought forward as follows:

882 69-2-39. Sections 69-2-19 through 69-2-39 of this chapter,
883 without reference to any statute not referred to herein, shall be
884 deemed to be full and complete authority for the issuance of such

885 bonds or notes, and shall be construed as an additional and
886 alternative method therefor, and none of the present restrictions,
887 requirements, conditions or limitations of law applicable to the
888 issuance or sale of bonds, notes or other obligations by the state
889 shall apply to the issuance and sale of bonds or notes under
890 Sections 69-2-19 through 69-2-39 of this chapter, and no
891 proceedings shall be required for the issuance of such bonds or
892 notes other than those provided for and required herein, and all
893 powers necessary to be exercised in order to carry out the
894 provisions of Sections 69-2-13 through 69-2-37 of this chapter are
895 hereby conferred.

896 **SECTION 36.** Section 69-2-40, Mississippi Code of 1972, is
897 brought forward as follows:

898 69-2-40. (1) Any attorney's fees paid as the result of the
899 issuance of bonds under Sections 69-2-19 through 69-2-39 of this
900 chapter shall be in compliance with the limits on attorney's fees
901 for bond issues as adopted by the State Bond Commission.
902 Attorney's fees paid as the result of the issuance of such bonds
903 are subject to negotiation but in no event may they exceed the
904 limits established by the State Bond Commission. A detailed
905 accounting of all expenses incurred by all persons, firms,
906 corporations, associations or other organizations involved in such
907 bond issues shall be submitted to the State Bond Commission within
908 ninety (90) days after the issuance of such bonds and shall be a
909 matter of public record.

910 (2) No member of the Legislature, elected official or
911 appointed official, or any partner or associate of any member of
912 the Legislature, elected official or appointed official, shall
913 derive any income from the issuance of any bonds or the
914 disposition of any property under Sections 69-2-19 through 69-2-39
915 of this chapter contrary to the provisions of Section 109,
916 Mississippi Constitution of 1890, or Article 3, Chapter 4, Title
917 25, Mississippi Code of 1972.

918 **SECTION 37.** Section 69-2-41, Mississippi Code of 1972, is
919 brought forward as follows:

920 69-2-41. If for any reason any section, paragraph,
921 provision, clause or part of Sections 69-2-13 through 69-2-39 of
922 this chapter shall be held unconstitutional or invalid, that
923 section shall not affect or invalidate any other section,
924 paragraph, provision, clause or part of this chapter not in and of
925 itself invalid, but the remaining portions thereof shall be in
926 force without regard to that so invalidated.

927 **SECTION 38.** This act shall take effect and be in force from
928 and after its passage.