

By: Representatives Eaton, Dedeaux, Baker
(8th), Gibbs, Hamilton (109th), Lane,
Mayhall, Montgomery, Staples, Ward

To: Agriculture; Ways and
Means

HOUSE BILL NO. 1736

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 AMEND SECTION 69-2-13, MISSISSIPPI CODE OF
12 1972, TO PROVIDE THAT THE MISSISSIPPI DEVELOPMENT AUTHORITY MAY
13 MAKE LOANS FROM THE EMERGING CROPS FUND TO AGRIBUSINESSES ENGAGED
14 IN POULTRY PRODUCTION OPERATIONS FOR THE PURPOSE OF ASSISTING SUCH
15 AGRIBUSINESSES TO MAKE UPGRADES, RENOVATIONS, REPAIRS AND OTHER
16 IMPROVEMENTS TO THEIR EQUIPMENT, FACILITIES AND OPERATIONS; TO
17 REQUIRE PERSONS APPLYING FOR LOANS TO HAVE A WRITTEN LETTER OF
18 AGREEMENT FROM A CONTRACTING POULTRY COMPANY TO COMPLY WITH TERMS
19 OF THE TEN POINT AGREEMENT; TO DIRECT THE MISSISSIPPI DEVELOPMENT
20 AUTHORITY TO PROVIDE FOR A PROGRAM OF LOANS TO AGRIBUSINESSES THAT
21 SUSTAINED A CERTAIN AMOUNT OF DAMAGE AS A RESULT OF A NATURAL
22 DISASTER THAT OCCURRED IN CALENDAR YEAR 2005 AND FOR WHICH A
23 PORTION OF THE DAMAGE WAS NOT REIMBURSED BY INSURANCE; TO SPECIFY
24 THE CONDITIONS THAT AN AGRIBUSINESS MUST MEET TO BE ELIGIBLE FOR A
25 LOAN UNDER THE PROGRAM; TO SPECIFY THE MAXIMUM AMOUNT OF A LOAN
26 THAT MAY BE MADE TO AN AGRIBUSINESS UNDER THE PROGRAM; TO SPECIFY
27 THE PURPOSES FOR WHICH THE PROCEEDS OF A LOAN MAY BE USED; TO
28 PROVIDE THAT MONIES TO MAKE THE LOANS UNDER THE PROGRAM SHALL BE
29 DRAWN FROM THE EMERGING CROPS FUND AND SHALL NOT EXCEED
30 \$10,000,000.00 IN THE AGGREGATE; TO PROVIDE THAT NO INTEREST SHALL
31 BE CHARGED ON LOANS MADE UNDER THE PROGRAM; TO AMEND SECTION
32 69-2-19, MISSISSIPPI CODE OF 1972, TO INCREASE THE MAXIMUM AMOUNT
33 OF STATE GENERAL OBLIGATION BONDS THAT MAY BE ISSUED TO PROVIDE
34 FUNDS FOR THE EMERGING CROPS FUND BY \$10,000,000.00; TO BRING
35 FORWARD SECTIONS 69-2-15, 69-2-17, 69-2-21, 69-2-23, 69-2-25,
36 69-2-27, 69-2-29, 69-2-30, 69-2-31, 69-2-33, 69-2-35, 69-2-37,
37 69-2-39, 69-2-40 AND 69-2-41, MISSISSIPPI CODE OF 1972, WHICH
38 ESTABLISH THE EMERGING CROPS FUND, FOR PURPOSES OF AMENDMENT; AND
39 FOR RELATED PURPOSES.

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

41 **SECTION 1.** Sections 1 through 4 of this act shall be known
42 and may be cited as the "Dairy Industry Stabilization Act."

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

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

46 (b) The production of dairy products plays a
47 significant role in the state's economy, the milk from which dairy
48 products are manufactured is produced by milk producers and dairy
49 products are consumed by thousands of people throughout the state
50 and the United States;

51 (c) Dairy products must be readily available and
52 marketed efficiently to ensure that the people of the state
53 receive adequate nourishment;

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

58 (e) Dairy products move in intrastate, interstate and
59 foreign commerce.

60 **SECTION 3.** (1) For the purposes of Sections 1 through 4 of
61 this act, the following words and phrases shall have the meanings
62 ascribed in this section unless the context clearly indicates
63 otherwise:

64 (a) "Dairy products" means products manufactured for
65 human consumption which are derived from the processing of milk
66 and includes fluid milk products.

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

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

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

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

74 (2) It, therefore, is declared to be the policy of the
75 Legislature that it is in the public interest to authorize the
76 establishment, through the exercise of the powers provided in
77 Sections 1 through 4 of this act, of an orderly procedure to
78 provide financing and carrying out a coordinate program of

79 assistance designed to strengthen, restore and modernize the
80 state's dairy industry in the marketplace and to maintain and
81 expand the capability of dairy producers to increase and meet, by
82 one hundred percent (100%), the state's consumption need of fluid
83 milk products.

84 **SECTION 4.** (1) (a) There is created in the State Treasury
85 a special fund to be designated as the "Dairy Industry
86 Stabilization Fund," a revolving fund, which funds shall consist
87 of monies as provided in Sections 5 through 20 of this act. The
88 fund shall be maintained in perpetuity for the purposes
89 established in this act. Unexpended amounts remaining in the fund
90 at the end of a fiscal year shall not lapse into the State General
91 Fund, and any investment earnings or interest earned on amounts in
92 the fund shall be deposited to the credit of the fund. Monies in
93 the fund shall not be used for any purpose, except making loans
94 for the following purposes, based on priority as listed below:

95 (i) To restore dairies destroyed or damaged by
96 Hurricane Katrina;

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

99 (iii) Refinancing existing debt of dairy producers
100 at zero percent (0%).

101 (b) Monies in the fund which are derived from proceeds
102 of bonds issued after the effective date of this act, may be used
103 to reimburse reasonable actual and necessary costs incurred by the
104 MDA in providing assistance to dairy producers for which funding
105 is provided under this section from the use of proceeds of such
106 bonds. An accounting of actual costs incurred for which
107 reimbursement is sought shall be maintained for each project by
108 the MDA. Reimbursement of reasonable actual and necessary costs
109 for a project shall not exceed three percent (3%) of the proceeds
110 of bonds issued for such project. Monies authorized for a
111 particular project may not be used to reimburse administrative

112 costs for unrelated projects. Reimbursements under this paragraph
113 (b) shall satisfy any applicable federal tax law requirements.

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

118 (3) A dairy producer desiring assistance under this section
119 must submit an application to the MDA. The application must
120 include a description of the project for which assistance is
121 requested, the cost of the project for which assistance is
122 requested and any other information required by the MDA. The MDA
123 may waive any requirements of the program established under this
124 section in order to expedite funding for unique projects.

125 (4) The MDA shall have all powers necessary to implement and
126 administer the program established under this section, and the MDA
127 shall promulgate rules and regulations, in accordance with the
128 Mississippi Administrative Procedures Law, necessary for the
129 implementation of this section.

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

133 (a) "Accreted value" of any bonds means, as of any date
134 of computation, an amount equal to the sum of (i) the stated
135 initial value of such bond, plus (ii) the interest accrued thereon
136 from the issue date to the date of computation at the rate,
137 compounded semiannually, that is necessary to produce the
138 approximate yield to maturity shown for bonds of the same
139 maturity.

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

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

142 **SECTION 6.** (1) The commission, at one time, or from time to
143 time, may declare by resolution the necessity for issuance of
144 general obligation bonds of the State of Mississippi to provide

145 funds for the program authorized in Section 4 of this act. Upon
146 the adoption of a resolution by the Mississippi Development
147 Authority, declaring the necessity for the issuance of any part or
148 all of the general obligation bonds authorized by this section,
149 the Mississippi Development Authority shall deliver a certified
150 copy of its resolution or resolutions to the commission. Upon
151 receipt of such resolution, the commission, in its discretion, may
152 act as the issuing agent, prescribe the form of the bonds,
153 advertise for and accept bids, issue and sell the bonds so
154 authorized to be sold and do any and all other things necessary
155 and advisable in connection with the issuance and sale of such
156 bonds. The total amount of bonds issued under Sections 5 through
157 20 of this act shall not exceed Ten Million Dollars
158 (\$10,000,000.00). No bonds authorized under Sections 5 through 20
159 of this act shall be issued after July 1, 2010.

160 (2) The proceeds of bonds issued pursuant to Sections 5
161 through 20 of this act shall be deposited into the Dairy Industry
162 Stabilization Fund created pursuant to Section 4 of this act. Any
163 investment earnings on bonds issued pursuant to Sections 5 through
164 20 of this act shall be used to pay debt service on bonds issued
165 under Sections 5 through 20 of this act, in accordance with the
166 proceedings authorizing issuance of such bonds.

167 **SECTION 7.** The principal of and interest on the bonds
168 authorized under Sections 5 through 20 of this act shall be
169 payable in the manner provided in this section. Such bonds shall
170 bear such date or dates, be in such denomination or denominations,
171 bear interest at such rate or rates (not to exceed the limits set
172 forth in Section 75-17-101, Mississippi Code of 1972), be payable
173 at such place or places within or without the State of
174 Mississippi, shall mature absolutely at such time or times not to
175 exceed twenty-five (25) years from date of issue, be redeemable
176 before maturity at such time or times and upon such terms, with or
177 without premium, shall bear such registration privileges, and

178 shall be substantially in such form, all as shall be determined by
179 resolution of the commission.

180 **SECTION 8.** The bonds authorized by Sections 5 through 20 of
181 this act shall be signed by the chairman of the commission, or by
182 his facsimile signature, and the official seal of the commission
183 shall be affixed thereto, attested by the secretary of the
184 commission. The interest coupons, if any, to be attached to such
185 bonds may be executed by the facsimile signatures of such
186 officers. Whenever any such bonds shall have been signed by the
187 officials designated to sign the bonds who were in office at the
188 time of such signing but who may have ceased to be such officers
189 before the sale and delivery of such bonds, or who may not have
190 been in office on the date such bonds may bear, the signatures of
191 such officers upon such bonds and coupons shall nevertheless be
192 valid and sufficient for all purposes and have the same effect as
193 if the person so officially signing such bonds had remained in
194 office until their delivery to the purchaser, or had been in
195 office on the date such bonds may bear. However, notwithstanding
196 anything herein to the contrary, such bonds may be issued as
197 provided in the Registered Bond Act of the State of Mississippi.

198 **SECTION 9.** All bonds and interest coupons issued under the
199 provisions of Sections 5 through 20 of this act have all the
200 qualities and incidents of negotiable instruments under the
201 provisions of the Uniform Commercial Code, and in exercising the
202 powers granted by Sections 5 through 20 of this act, the
203 commission shall not be required to and need not comply with the
204 provisions of the Uniform Commercial Code.

205 **SECTION 10.** The commission shall act as the issuing agent
206 for the bonds authorized under Sections 5 through 20 of this act,
207 prescribe the form of the bonds, advertise for and accept bids,
208 issue and sell the bonds so authorized to be sold, pay all fees
209 and costs incurred in such issuance and sale, and do any and all
210 other things necessary and advisable in connection with the

211 issuance and sale of such bonds. The commission is authorized and
212 empowered to pay the costs that are incident to the sale, issuance
213 and delivery of the bonds authorized under Sections 5 through 20
214 of this act from the proceeds derived from the sale of such bonds.
215 The commission shall sell such bonds on sealed bids at public
216 sale, and for such price as it may determine to be for the best
217 interest of the State of Mississippi, but no such sale shall be
218 made at a price less than par plus accrued interest to the date of
219 delivery of the bonds to the purchaser. All interest accruing on
220 such bonds so issued shall be payable semiannually or annually;
221 however, the first interest payment may be for any period of not
222 more than one (1) year.

223 Notice of the sale of any such bonds shall be published at
224 least one time, not less than ten (10) days before the date of
225 sale, and shall be so published in one or more newspapers
226 published or having a general circulation in the City of Jackson,
227 Mississippi, and in one or more other newspapers or financial
228 journals with a national circulation, to be selected by the
229 commission.

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

235 **SECTION 11.** The bonds issued under the provisions of
236 Sections 5 through 20 of this act are general obligations of the
237 State of Mississippi, and for the payment thereof the full faith
238 and credit of the State of Mississippi is irrevocably pledged. If
239 the funds appropriated by the Legislature are insufficient to pay
240 the principal of and the interest on such bonds as they become
241 due, then the deficiency shall be paid by the State Treasurer from
242 any funds in the State Treasury not otherwise appropriated. All

243 such bonds shall contain recitals on their faces substantially
244 covering the provisions of this section.

245 **SECTION 12.** Upon the issuance and sale of bonds under the
246 provisions of Sections 5 through 20 of this act, the commission
247 shall transfer the proceeds of any such sale or sales to the Dairy
248 Industry Stabilization Fund created in Section 4 of this act. The
249 proceeds of such bonds shall be disbursed solely upon the order of
250 the Mississippi Development Authority under such restrictions, if
251 any, as may be contained in the resolution providing for the
252 issuance of the bonds.

253 **SECTION 13.** The bonds authorized under Sections 5 through 20
254 of this act may be issued without any other proceedings or the
255 happening of any other conditions or things other than those
256 proceedings, conditions and things which are specified or required
257 by Sections 5 through 20 of this act. Any resolution providing
258 for the issuance of bonds under the provisions of Sections 5
259 through 20 of this act shall become effective immediately upon its
260 adoption by the commission, and any such resolution may be adopted
261 at any regular or special meeting of the commission by a majority
262 of its members.

263 **SECTION 14.** The bonds authorized under the authority of
264 Sections 5 through 20 of this act may be validated in the Chancery
265 Court of the First Judicial District of Hinds County, Mississippi,
266 in the manner and with the force and effect provided by Chapter
267 13, Title 31, Mississippi Code of 1972, for the validation of
268 county, municipal, school district and other bonds. The notice to
269 taxpayers required by such statutes shall be published in a
270 newspaper published or having a general circulation in the City of
271 Jackson, Mississippi.

272 **SECTION 15.** Any holder of bonds issued under the provisions
273 of Sections 5 through 20 of this act or of any of the interest
274 coupons pertaining thereto may, either at law or in equity, by
275 suit, action, mandamus or other proceeding, protect and enforce

276 any and all rights granted under Sections 5 through 20 of this
277 act, or under such resolution, and may enforce and compel
278 performance of all duties required by Sections 5 through 20 of
279 this act to be performed, in order to provide for the payment of
280 bonds and interest thereon.

281 **SECTION 16.** All bonds issued under the provisions of
282 Sections 5 through 20 of this act shall be legal investments for
283 trustees and other fiduciaries, and for savings banks, trust
284 companies and insurance companies organized under the laws of the
285 State of Mississippi, and such bonds shall be legal securities
286 which may be deposited with and shall be received by all public
287 officers and bodies of this state and all municipalities and
288 political subdivisions for the purpose of securing the deposit of
289 public funds.

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

293 **SECTION 18.** The proceeds of the bonds issued under Sections
294 5 through 20 of this act shall be used solely for the purposes
295 therein provided, including the costs incident to the issuance and
296 sale of such bonds.

297 **SECTION 19.** The State Treasurer is authorized, without
298 further process of law, to certify to the Department of Finance
299 and Administration the necessity for warrants, and the Department
300 of Finance and Administration is authorized and directed to issue
301 such warrants, in such amounts as may be necessary to pay when due
302 the principal of, premium, if any, and interest on, or the
303 accreted value of, all bonds issued under Sections 5 through 20 of
304 this act; and the State Treasurer shall forward the necessary
305 amount to the designated place or places of payment of such bonds
306 in ample time to discharge such bonds, or the interest thereon, on
307 the due dates thereof.

308 **SECTION 20.** Sections 5 through 20 of this act shall be
309 deemed to be full and complete authority for the exercise of the
310 powers therein granted, but Sections 5 through 20 of this act
311 shall not be deemed to repeal or to be in derogation of any
312 existing law of this state.

313 **SECTION 21.** Section 69-2-13, Mississippi Code of 1972, is
314 amended as follows:

315 69-2-13. (1) There is hereby established in the State
316 Treasury a fund to be known as the "Emerging Crops Fund," which
317 shall be used to pay the interest on loans made to farmers for
318 nonland capital costs of establishing production of emerging crops
319 on land in Mississippi, and to make loans and grants which are
320 authorized under this section to be made from the fund. The fund
321 shall be administered by the Mississippi Development Authority. A
322 board comprised of the directors of the authority, the Mississippi
323 Cooperative Extension Service, the Mississippi Small Farm
324 Development Center and the Mississippi Agricultural and Forestry
325 Experiment Station, or their designees, shall develop definitions,
326 guidelines and procedures for the implementation of this chapter.
327 Funds for the Emerging Crops Fund shall be provided from the
328 issuance of bonds or notes under Sections 69-2-19 through 69-2-37
329 and from repayment of interest loans made from the fund.

330 (2) (a) The Mississippi Development Authority shall develop
331 a program which gives fair consideration to making loans for the
332 processing and manufacturing of goods and services by
333 agribusiness, greenhouse production horticulture, and small
334 business concerns. It is the policy of the State of Mississippi
335 that the Mississippi Development Authority shall give due
336 recognition to and shall aid, counsel, assist and protect, insofar
337 as is possible, the interests of agribusiness, greenhouse
338 production horticulture, and small business concerns. To ensure
339 that the purposes of this subsection are carried out, the
340 Mississippi Development Authority shall loan not more than One

341 Million Dollars (\$1,000,000.00) to finance any single
342 agribusiness, greenhouse production horticulture, or small
343 business concern. Loans made pursuant to this subsection shall be
344 made in accordance with the criteria established in Section
345 57-71-11.

346 (b) The Mississippi Development Authority may, out of
347 the total amount of bonds authorized to be issued under this
348 chapter, make available funds to any planning and development
349 district in accordance with the criteria established in Section
350 57-71-11. Planning and development districts which receive monies
351 pursuant to this provision shall use such monies to make loans to
352 private companies for purposes consistent with this subsection.

353 (c) The Mississippi Development Authority is hereby
354 authorized to engage legal services, financial advisors,
355 appraisers and consultants if needed to review and close loans
356 made hereunder and to establish and assess reasonable fees,
357 including, but not limited to, liquidation expenses.

358 (3) (a) The Mississippi Development Authority shall, in
359 addition to the other programs described in this section, provide
360 for a program of loans to be made to agribusiness or greenhouse
361 production horticulture enterprises for the purpose of encouraging
362 thereby the extension of conventional financing and the issuance
363 of letters of credit to such agribusiness or greenhouse production
364 horticulture enterprises by private institutions. Monies to make
365 such loans by the Mississippi Development Authority shall be drawn
366 from the Emerging Crops Fund. The amount of a loan to any single
367 agribusiness or greenhouse production horticulture enterprise
368 under this paragraph (a) shall not exceed twenty percent (20%) of
369 the total cost of the project for which financing is sought or Two
370 Hundred Thousand Dollars (\$200,000.00), whichever is less. No
371 interest shall be charged on such loans, and only the amount
372 actually loaned shall be required to be repaid. Repayments shall
373 be deposited into the Emerging Crops Fund. The Mississippi

374 Development Authority also may make loans under this paragraph (a)
375 to agribusinesses engaged in poultry production operations for the
376 purpose of assisting such agribusinesses to make upgrades,
377 renovations, repairs and other improvements to their equipment,
378 facilities and operations. Persons who currently have
379 applications on file for loan requests with the Mississippi
380 Development Authority for agribusiness assistance shall be given
381 priority for loan disbursements, subject to having met the
382 necessary requirements and approval of the Mississippi Development
383 Authority. Persons who apply for poultry-production operation
384 loans under this paragraph, whether such poultry production
385 operation is in existence on July 1, 2007, or is established after
386 such date, shall be required to obtain a written letter of
387 agreement, establishing a commitment from a poultry company, which
388 has met approval of the Mississippi Development Authority, with
389 which such person contracts, that such poultry company has signed
390 off and agrees to comply with the terms of the Ten Point Agreement
391 made by the Governor's Special Poultry Committee as agreed on
392 November 19, 1996, being more particularly described as follows:

393 (i) All live birds will be weighed by a bonded
394 weighmaster on certified scales. Provisions will be made for
395 alternate certified scales in the event the primary scales are
396 "red tagged" by the State Weights and Measures Department.
397 Producers, their family or employees, with proper identification,
398 will be allowed to watch, without prior notice, live birds being
399 weighed.

400 (ii) All feed will be weighed under the same
401 agreement, including the observation of the weighing.

402 (iii) Processors will provide producers all
403 documentation that impacts a producer's settlement check, in a
404 legible manner, including, but not limited to:

405 1. Producer's copy of USDA Form 9061-2
406 (Sanderson will provide upon request).

407 2. A loading ticket, at the time of catching,
408 that gives truck number, trailer number, number of birds per coop
409 and number of full coops.

410 3. Copy of weight tickets for live birds.

411 4. A copy of medication charges, either at
412 the time of delivery or with settlement check.

413 5. A sample computation of the payment
414 formula, using the producer's actual figures. Growers will
415 produce and provide several sample computation formulas.

416 (iv) Processors will use all available means to
417 insure proper handling of birds from farm to plant. Damage by
418 catching crew of producer's equipment or facilities will be
419 reimbursed by his processor. Equipment stolen from poultry farms,
420 upon verification, will be replaced by the company.

421 (v) Equipment changes, on equipment in good
422 working order, will not be the sole basis for density cuts or
423 termination of a contract unless health or safety are the basis
424 for change. Placements will take into account seasonal
425 differences and product mix. Equipment changes on integrator
426 approved equipment will not be required on equipment in good
427 working order without integrator incentives. Integrators will
428 test, upon request of growers, new equipment that growers wish to
429 be added to the integrator's approved equipment list.

430 (vi) Producers and their immediate family who are
431 employed by the companies in live production will not be ranked
432 with other contract producers. Lady Forest will not be included
433 in this item.

434 (vii) Producers may join or assist any
435 organization or association of their choice. A producer's
436 membership in any organization will not affect his settlement in
437 any way.

438 (viii) Where requested and available, the
439 processor will furnish the producer a copy of veterinary reports

440 within forty-eight (48) hours of the time the report is received
441 by the processor. The processor will share with the producer all
442 known information and causes dealing with problematic situations
443 that affect farm management, including parent stock and age.

444 (ix) Processors will provide producers with
445 information on feed delivery procedures. When requested, feed
446 delivery trucks will be sealed at the plant with corresponding,
447 numbered seals that will be listed on the feed delivery ticket.
448 The seal will not be broken unless the grower is not available at
449 the time of actual delivery. The grower may request that he be
450 notified by telephone before the truck leaves the feed mill.

451 (x) Processors will provide producers applicable
452 management guidelines for broiler, pullet or breeder management.

453 (b) The Mississippi Development Authority shall, in
454 addition to the other programs described in this section, provide
455 for a program of loans or loan guaranties, or both, to be made to
456 or on behalf of any agribusiness enterprise engaged in beef
457 processing for the purpose of encouraging thereby the extension of
458 conventional financing and the issuance of letters of credit to
459 such agribusiness enterprises by private institutions. Monies to
460 make such loans or loan guaranties, or both, by the Mississippi
461 Development Authority shall be drawn from the Emerging Crops Fund
462 and shall not exceed Thirty-five Million Dollars (\$35,000,000.00)
463 in the aggregate. The amount of a loan to any single agribusiness
464 enterprise or loan guaranty on behalf of such agribusiness
465 enterprise, or both, under this paragraph (b) shall not exceed the
466 total cost of the project for which financing is sought or
467 Thirty-five Million Dollars (\$35,000,000.00), whichever is less.
468 The interest charged on a loan made under this paragraph (b) shall
469 be at a rate determined by the Mississippi Development Authority.
470 All repayments of any loan made under this paragraph (b) shall be
471 deposited into the Emerging Crops Fund. Assistance received by an
472 agribusiness enterprise under this paragraph (b) shall not

473 disqualify the agribusiness enterprise from obtaining any other
474 assistance under this chapter.

475 (4) (a) Through June 30, 2010, the Mississippi Development
476 Authority may loan or grant to qualified planning and development
477 districts, and to small business investment corporations,
478 bank-based community development corporations, the Recruitment and
479 Training Program, Inc., the City of Jackson Business Development
480 Loan Fund, the Lorman Southwest Mississippi Development
481 Corporation, the West Jackson Community Development Corporation,
482 the East Mississippi Development Corporation, and other entities
483 meeting the criteria established by the Mississippi Development
484 Authority (all referred to hereinafter as "qualified entities"),
485 funds for the purpose of establishing loan revolving funds to
486 assist in providing financing for minority economic development.
487 The monies loaned or granted by the Mississippi Development
488 Authority shall be drawn from the Emerging Crops Fund and shall
489 not exceed Twenty-six Million Dollars (\$26,000,000.00) in the
490 aggregate. Planning and development districts or qualified
491 entities which receive monies pursuant to this provision shall use
492 such monies to make loans to minority business enterprises
493 consistent with criteria established by the Mississippi
494 Development Authority. Such criteria shall include, at a minimum,
495 the following:

496 (i) The business enterprise must be a private,
497 for-profit enterprise.

498 (ii) If the business enterprise is a
499 proprietorship, the borrower must be a resident citizen of the
500 State of Mississippi; if the business enterprise is a corporation
501 or partnership, at least fifty percent (50%) of the owners must be
502 resident citizens of the State of Mississippi.

503 (iii) The borrower must have at least five percent
504 (5%) equity interest in the business enterprise.

505 (iv) The borrower must demonstrate ability to
506 repay the loan.

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

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

514 (vii) Loan proceeds shall not be used to pay off
515 existing debt for loan consolidation purposes; to finance the
516 acquisition, construction, improvement or operation of real
517 property which is to be held primarily for sale or investment; to
518 provide for, or free funds, for speculation in any kind of
519 property; or as a loan to owners, partners or stockholders of the
520 applicant which do not change ownership interest by the applicant.
521 However, this does not apply to ordinary compensation for services
522 rendered in the course of business.

523 (viii) The maximum amount that may be loaned to
524 any one (1) borrower shall be Two Hundred Fifty Thousand Dollars
525 (\$250,000.00).

526 (ix) The Mississippi Development Authority shall
527 review each loan before it is made, and no loan shall be made to
528 any borrower until the loan has been reviewed and approved by the
529 Mississippi Development Authority.

530 (b) For the purpose of this subsection, the term
531 "minority business enterprise" means a socially and economically
532 disadvantaged small business concern, organized for profit,
533 performing a commercially useful function which is owned and
534 controlled by one or more minorities or minority business
535 enterprises certified by the Mississippi Development Authority, at
536 least fifty percent (50%) of whom are resident citizens of the
537 State of Mississippi. Except as otherwise provided, for purposes

538 of this subsection, the term "socially and economically
539 disadvantaged small business concern" shall have the meaning
540 ascribed to such term under the Small Business Act (15 USCS,
541 Section 637(a)), or women, and the term "owned and controlled"
542 means a business in which one or more minorities or minority
543 business enterprises certified by the Mississippi Development
544 Authority own sixty percent (60%) or, in the case of a
545 corporation, sixty percent (60%) of the voting stock, and control
546 sixty percent (60%) of the management and daily business
547 operations of the business. However, an individual whose personal
548 net worth exceeds Five Hundred Thousand Dollars (\$500,000.00)
549 shall not be considered to be an economically disadvantaged
550 individual.

551 From and after July 1, 2010, monies not loaned or granted by
552 the Mississippi Development Authority to planning and development
553 districts or qualified entities under this subsection, and monies
554 not loaned by planning and development districts or qualified
555 entities, shall be deposited to the credit of the sinking fund
556 created and maintained in the State Treasury for the retirement of
557 bonds issued under Section 69-2-19.

558 (c) Notwithstanding any other provision of this
559 subsection to the contrary, if federal funds are not available for
560 commitments made by a planning and development district to provide
561 assistance under any federal loan program administered by the
562 planning and development district in coordination with the
563 Appalachian Regional Commission or Economic Development
564 Administration, or both, a planning and development district may
565 use funds in its loan revolving fund, which have not been
566 committed otherwise to provide assistance, for the purpose of
567 providing temporary funding for such commitments. If a planning
568 and development district uses uncommitted funds in its loan
569 revolving fund to provide such temporary funding, the district
570 shall use funds repaid to the district under the temporarily

571 funded federal loan program to replenish the funds used to provide
572 the temporary funding. Funds used by a planning and development
573 district to provide temporary funding under this paragraph (c)
574 must be repaid to the district's loan revolving fund no later than
575 twelve (12) months after the date the district provides the
576 temporary funding. A planning and development district may not
577 use uncommitted funds in its loan revolving fund to provide
578 temporary funding under this paragraph (c) on more than two (2)
579 occasions during a calendar year. A planning and development
580 district may provide temporary funding for multiple commitments on
581 each such occasion. The maximum aggregate amount of uncommitted
582 funds in a loan revolving fund that may be used for such purposes
583 during a calendar year shall not exceed seventy percent (70%) of
584 the uncommitted funds in the loan revolving fund on the date the
585 district first provides temporary funding during the calendar
586 year.

587 (d) If the Mississippi Development Authority determines
588 that a planning and development district or qualified entity has
589 provided loans to minority businesses in a manner inconsistent
590 with the provisions of this subsection, then the amount of such
591 loans so provided shall be withheld by the Mississippi Development
592 Authority from any additional grant funds to which the planning
593 and development district or qualified entity becomes entitled
594 under this subsection. If the Mississippi Development Authority
595 determines, after notifying such planning and development district
596 or qualified entity twice in writing and providing such planning
597 and development district or qualified entity a reasonable
598 opportunity to comply, that a planning and development district or
599 qualified entity has consistently failed to comply with this
600 subsection, the Mississippi Development Authority may declare such
601 planning and development district or qualified entity in default
602 under this subsection and, upon receipt of notice thereof from the
603 Mississippi Development Authority, such planning and development

604 district or qualified entity shall immediately cease providing
605 loans under this subsection, shall refund to the Mississippi
606 Development Authority for distribution to other planning and
607 development districts or qualified entities all funds held in its
608 revolving loan fund and, if required by the Mississippi
609 Development Authority, shall convey to the Mississippi Development
610 Authority all administrative and management control of loans
611 provided by it under this subsection.

612 (e) If the Mississippi Development Authority
613 determines, after notifying a planning and development district or
614 qualified entity twice in writing and providing copies of such
615 notification to each member of the Legislature in whose district
616 or in a part of whose district such planning and development
617 district or qualified entity is located and providing such
618 planning and development district or qualified entity a reasonable
619 opportunity to take corrective action, that a planning and
620 development district or qualified entity administering a revolving
621 loan fund under the provisions of this subsection is not actively
622 engaged in lending as defined by the rules and regulations of the
623 Mississippi Development Authority, the Mississippi Development
624 Authority may declare such planning and development district or
625 qualified entity in default under this subsection and, upon
626 receipt of notice thereof from the Mississippi Development
627 Authority, such planning and development district or qualified
628 entity shall immediately cease providing loans under this
629 subsection, shall refund to the Mississippi Development Authority
630 for distribution to other planning and development districts or
631 qualified entities all funds held in its revolving loan fund and,
632 if required by the Mississippi Development Authority, shall convey
633 to the Mississippi Development Authority all administrative and
634 management control of loans provided by it under this subsection.

635 (5) The Mississippi Development Authority shall develop a
636 program which will assist minority business enterprises by

637 guaranteeing bid, performance and payment bonds which such
638 minority businesses are required to obtain in order to contract
639 with federal agencies, state agencies or political subdivisions of
640 the state. Monies for such program shall be drawn from the monies
641 allocated under subsection (4) of this section to assist the
642 financing of minority economic development and shall not exceed
643 Three Million Dollars (\$3,000,000.00) in the aggregate. The
644 Mississippi Development Authority may promulgate rules and
645 regulations for the operation of the program established pursuant
646 to this subsection. For the purpose of this subsection (5) the
647 term "minority business enterprise" has the meaning assigned such
648 term in subsection (4) of this section.

649 (6) The Mississippi Development Authority may loan or grant
650 to public entities and to nonprofit corporations funds to defray
651 the expense of financing (or to match any funds available from
652 other public or private sources for the expense of financing)
653 projects in this state which are devoted to the study, teaching
654 and/or promotion of regional crafts and which are deemed by the
655 authority to be significant tourist attractions. The monies
656 loaned or granted shall be drawn from the Emerging Crops Fund and
657 shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00)
658 in the aggregate.

659 (7) Through June 30, 2006, the Mississippi Development
660 Authority shall make available to the Mississippi Department of
661 Agriculture and Commerce funds for the purpose of establishing
662 loan revolving funds and other methods of financing for
663 agribusiness programs administered under the Mississippi
664 Agribusiness Council Act of 1993. The monies made available by
665 the Mississippi Development Authority shall be drawn from the
666 Emerging Crops Fund and shall not exceed One Million Two Hundred
667 Thousand Dollars (\$1,200,000.00) in the aggregate. The
668 Mississippi Department of Agriculture and Commerce shall establish
669 control and auditing procedures for use of these funds. These

670 funds will be used primarily for quick payment to farmers for
671 vegetable and fruit crops processed and sold through vegetable
672 processing plants associated with the Department of Agriculture
673 and Commerce and the Mississippi State Extension Service.

674 (8) From and after July 1, 1996, the Mississippi Development
675 Authority shall make available to the Mississippi Small Farm
676 Development Center One Million Dollars (\$1,000,000.00) to be used
677 by the center to assist small entrepreneurs as provided in Section
678 37-101-25, Mississippi Code of 1972. The monies made available by
679 the Mississippi Development Authority shall be drawn from the
680 Emerging Crops Fund.

681 (9) The Mississippi Development Authority shall make
682 available to the Agribusiness and Natural Resource Development
683 Center through Alcorn State University an amount not to exceed Two
684 Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal year 2001
685 and Two Hundred Fifty Thousand Dollars (\$250,000.00) in fiscal
686 year 2002 from the cash balance of the Emerging Crops Fund to
687 support the development of a cooperative program for agribusiness
688 development, marketing and natural resources development. This
689 subsection (9) shall stand repealed on June 30, 2006.

690 (10) The Mississippi Development Authority shall make
691 available to the Small Farm Development Center at Alcorn State
692 University funds in an aggregate amount not to exceed Three
693 Hundred Thousand Dollars (\$300,000.00), to be drawn from the cash
694 balance of the Emerging Crops Fund. The Small Farm Development
695 Center at Alcorn State University shall use such funds to make
696 loans to producers of sweet potatoes and cooperatives anywhere in
697 the State of Mississippi owned by sweet potato producers to assist
698 in the planting of sweet potatoes and the purchase of sweet potato
699 production and harvesting equipment. A report of the loans made
700 under this subsection shall be furnished by January 15 of each
701 year to the Chairman of the Senate Agriculture Committee and the
702 Chairman of the House Agriculture Committee.

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

708 (12) The Mississippi Development Authority shall make
709 available to the Mississippi Department of Agriculture and
710 Commerce an amount not to exceed One Hundred Fifty Thousand
711 Dollars (\$150,000.00) to be drawn from the cash balance of the
712 Emerging Crops Fund to be used for the rehabilitation and
713 maintenance of the Mississippi Farmers Central Market in Jackson,
714 Mississippi.

715 (13) The Mississippi Development Authority shall make
716 available to the Mississippi Department of Agriculture and
717 Commerce an amount not to exceed Twenty-five Thousand Dollars
718 (\$25,000.00) to be drawn from the cash balance of the Emerging
719 Crops Fund to be used for advertising purposes related to the
720 Mississippi Farmers Central Market in Jackson, Mississippi.

721 (14) (a) The Mississippi Development Authority shall, in
722 addition to the other programs described in this section, provide
723 for a program of loan guaranties to be made on behalf of any
724 nonprofit entity qualified under Section 501(c)(3) of the Internal
725 Revenue Code and certified by the United States Department of the
726 Treasury as a community development financial institution for the
727 purpose of encouraging the extension of financing to such an
728 entity which financing the entity will use to make funds available
729 to other entities for the purpose of making loans available in
730 low-income communities in Mississippi. Monies to make such loan
731 guaranties by the Mississippi Development Authority shall be drawn
732 from the Emerging Crops Fund and shall not exceed Two Million
733 Dollars (\$2,000,000.00) in the aggregate. The amount of a loan
734 guaranty on behalf of such an entity under this subsection (14)
735 shall not exceed Two Million Dollars (\$2,000,000.00). Assistance

736 received by an entity under this subsection (14) shall not
737 disqualify the entity from obtaining any other assistance under
738 this chapter.

739 (b) An entity desiring assistance under this subsection
740 (14) must submit an application to the Mississippi Development
741 Authority. The application must include any information required
742 by the Mississippi Development Authority.

743 (c) The Mississippi Development Authority shall have
744 all powers necessary to implement and administer the program
745 established under this subsection (14), and the Mississippi
746 Development Authority shall promulgate rules and regulations, in
747 accordance with the Mississippi Administrative Procedures Law,
748 necessary for the implementation of this subsection (14).

749 (15) (a) The Mississippi Development Authority, in addition
750 to the other programs described in this section, shall provide for
751 a program of loans to agribusinesses that sustained damage to the
752 property of the agribusiness as a result of a natural disaster
753 that occurred in calendar year 2005 and for which a portion of the
754 damage was not reimbursed by insurance. In administering this
755 program, the Mississippi Development Authority shall follow the
756 Agribusiness Enterprise Loan Program guidelines to the extent that
757 the guidelines are not inconsistent with the provisions of this
758 subsection (15).

759 (b) In order to be eligible to receive a loan under
760 this program, an agribusiness must:

761 (i) Be located in an area of the state for which a
762 disaster declaration was issued by the Governor, or for which a
763 major disaster declaration was issued by the President of the
764 United States, as a result of a natural disaster that occurred in
765 calendar year 2005;

766 (ii) Have had insurance on the property of the
767 agribusiness at the time that the natural disaster occurred;

768 (iii) Have sustained damage to the property of the
769 agribusiness as a result of the natural disaster in an amount
770 equal to at least twenty-five percent (25%) of the value of the
771 property, as determined and documented by the insurer of the
772 property; and

773 (iv) Have a portion of the damage to the property
774 of the agribusiness as a result of the natural disaster that was
775 not reimbursed by insurance.

776 (c) Subject to the provisions of paragraph (d), the
777 maximum amount of a loan that may be made to an agribusiness under
778 this program shall be as follows:

779 (i) If the damage to the property of the
780 agribusiness as a result of the natural disaster was at least
781 twenty-five percent (25%) but less than fifty percent (50%) of the
782 value of the property, as determined and documented by the insurer
783 of the property, the maximum amount of the loan shall be thirty
784 percent (30%) of the amount of the damage that was not reimbursed
785 by insurance or Fifty Thousand Dollars (\$50,000.00), whichever is
786 less.

787 (ii) If the damage to the property of the
788 agribusiness from the natural disaster was at least fifty percent
789 (50%) of the value of the property, as determined and documented
790 by the insurer of the property, the maximum amount of the loan
791 shall be forty percent (40%) of the amount of the damage that was
792 not reimbursed by insurance or One Hundred Thousand Dollars
793 (\$100,000.00), whichever is less.

794 (d) The maximum amount of a loan for which an
795 agribusiness is eligible under this program shall be reduced by
796 the amount of any federal assistance that the agribusiness
797 received for damage to the property of the agribusiness as a
798 result of a natural disaster that occurred in calendar year 2005.

799 (e) The proceeds of a loan under this program may be
800 used to: pay for construction, repairs to or replacement of

801 structures; pay for purchases, repairs to or replacement of
802 equipment; and/or pay off existing debt that was incurred for any
803 of those purposes, because of damage to the property of the
804 agribusiness as a result of the natural disaster.

805 (f) Monies to make the loans under this program shall
806 be drawn from the Emerging Crops Fund and shall not exceed Ten
807 Million Dollars (\$10,000,000.00) in the aggregate. No interest
808 shall be charged on loans made under this program, and only the
809 amount actually loaned shall be required to be repaid. All
810 repayments of loans shall be deposited into the bond sinking fund
811 created in paragraph (g) of this subsection.

812 (g) There is created in the State Treasury a sinking
813 fund for repayment of the principal of and interest on the Ten
814 Million Dollars (\$10,000,000.00) of bonds issued to fund this
815 program. All monies paid into the sinking fund that are not
816 appropriated to pay accruing bonds and interest shall be invested
817 by the State Treasurer in such securities as are provided by law
818 for the investment of the sinking funds of the state.

819 (h) To the extent allowed under federal law and
820 regulations, any federal funds received by the State of
821 Mississippi on or after the effective date of House Bill No. _____,
822 2007 Regular Session, that may be used to provide assistance to
823 agribusinesses that sustained damage as a result of a natural
824 disaster that occurred in calendar year 2005 shall be deposited
825 into the Emerging Crops Fund and used for funding the program
826 established under this subsection (15).

827 (i) The receipt of assistance by an agribusiness under
828 any other program described in this section shall not disqualify
829 the agribusiness from obtaining a loan under the program
830 established in this subsection (15) if the agribusiness is
831 otherwise eligible under this program. In addition, the receipt
832 of a loan by an agribusiness under the program established under
833 this subsection (15) shall not disqualify the agribusiness from

834 obtaining assistance under any other program described in this
835 section.

836 **SECTION 22.** Section 69-2-19, Mississippi Code of 1972, is
837 amended as follows:

838 69-2-19. (1) The Mississippi Development Authority is
839 authorized, at one time, or from time to time, to declare by
840 resolution the necessity for issuance of negotiable general
841 obligation bonds of the State of Mississippi to provide funds for
842 the Emerging Crops Fund established in Section 69-2-13. Upon the
843 adoption of a resolution by the board, declaring the necessity for
844 the issuance of any part or all of the general obligation bonds
845 authorized by Sections 69-2-19 through 69-2-39, the authority
846 shall deliver a certified copy of its resolution or resolutions to
847 the State Bond Commission. Upon receipt of same, the State Bond
848 Commission, in its discretion, shall act as the issuing agent,
849 prescribe the form of the bonds, advertise for and accept bids,
850 issue and sell the bonds so authorized to be sold, and do any and
851 all other things necessary and advisable in connection with the
852 issuance and sale of such bonds. The amount of bonds issued under
853 Sections 69-2-19 through 69-2-39 shall not exceed One Hundred
854 Fifteen Million Dollars (\$115,000,000.00) in the aggregate;
855 however:

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

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

866 (2) No bonds may be issued under Sections 69-2-19 through
867 69-2-39 after October 1, 2019.

868 **SECTION 23.** Section 69-2-15, Mississippi Code of 1972, is
869 brought forward as follows:

870 69-2-15. (1) Any lender which has made a loan to a farmer
871 to finance the nonland capital costs of establishing production of
872 an emerging crop on land in Mississippi may make application to
873 the department for payment of the interest on the loan during the
874 period from beginning of production to harvest or initial sale of
875 the product, which payment shall be made from the fund. The
876 maximum amount of interest loans from the fund for the benefit of
877 any one (1) farmer shall be Fifty Thousand Dollars (\$50,000.00).
878 During the period that the department pays the interest on a loan,
879 the maximum rate of interest which may be charged on the loan by
880 the lender shall be four percent (4%) per annum above the New York
881 prime rate. By payment of the interest on a loan, neither the
882 department nor the State of Mississippi shall be a guarantor of
883 the loan, but the state shall have a lien junior to any lien that
884 the lender may have on the loan.

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

891 **SECTION 24.** Section 69-2-17, Mississippi Code of 1972, is
892 brought forward as follows:

893 69-2-17. (1) Repayment of the interest loan from the fund
894 shall be deferred for a period of time not more than five (5)
895 years or the time when the emerging crop should reach maturity.
896 The schedule for repayment of the interest loan shall be a period
897 of time equal to two (2) times the period that interest is paid on
898 the loan for that emerging crop from the fund. No interest shall

899 be charged on interest loans from the fund, and only the amount
900 actually loaned from the fund shall be required to be repaid.

901 (2) Repayment of interest loans from the fund shall be made
902 to the lender, which shall remit the amounts collected to the
903 department for deposit into the fund. However, if the repayment
904 period for an interest loan exceeds the time for repayment of the
905 principal loan amount to the lender, when the final principal
906 payment is made to the lender all subsequent interest loan
907 payments shall be made by the farmer, directly to the department
908 to be deposited into the fund.

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

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

915 69-2-21. For the payment of such bonds and the interest
916 thereon, the full faith, credit, and taxing power of the State of
917 Mississippi are hereby irrevocably pledged. If the Legislature
918 finds that there are sufficient funds available in the General
919 Fund of the State Treasury to pay maturing principal and accruing
920 interest of the bonds, and if the Legislature appropriates such
921 available funds for the purpose of paying such maturing principal
922 and accruing interest, then the maturing principal and accruing
923 interest of the bonds shall be paid from appropriations made by
924 the Legislature from the General Fund of the State Treasury.
925 However, if there are not sufficient funds available in the
926 General Fund of the State Treasury to pay the maturing principal
927 and accruing interest of the bonds, or if such funds are available
928 but the Legislature fails to appropriate a sufficient amount
929 thereof to pay such maturing principal and accruing interest as
930 the same becomes due, then there shall be levied annually upon all
931 taxable property in the State of Mississippi an ad valorem tax at

932 the rate sufficient to provide the funds required to pay the bonds
933 at maturity and the interest on the bonds as it accrues.

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

936 69-2-23. Such bonds may be executed and delivered by the
937 state at any time and from time to time, may be in such form and
938 denominations and of such terms and maturities, may be in fully
939 registered form or in bearer form registrable either as to
940 principal or interest or both, may bear such conversion privileges
941 and be payable in such installments and at such time or times not
942 exceeding twenty (20) years from the date thereof, may be payable
943 at such place or places, whether within or without the State of
944 Mississippi, may bear interest payable at such time or times and
945 at such place or places and evidenced in such manner, and may
946 contain such provisions not inconsistent herewith, all as shall be
947 provided in the proceedings of the State Bond Commission under
948 which the bonds are authorized to be issued. Such bonds shall not
949 bear a greater overall maximum interest rate to maturity than that
950 authorized by law for general obligation bonds. If deemed
951 advisable by the State Bond Commission, there may be retained in
952 the proceedings under which any such bonds are authorized to be
953 issued an option to redeem all or any part thereof as may be
954 specified in such proceedings, at such price or prices and after
955 such notice or notices and on such terms and conditions as may be
956 set forth in such proceedings and briefly recited or referred to
957 on the face of the bonds, but nothing herein contained shall be
958 construed to confer on the state any right or option to redeem any
959 bonds, except as may be provided in the proceedings under which
960 they shall be issued. Any such bonds shall be sold on sealed bids
961 at public sale, and for such price as the State Bond Commission
962 determines to be in the best interest of the State of Mississippi,
963 but no such sale shall be made at a price less than par value plus
964 accrued interest to date of delivery of the bonds to the

965 purchaser. The state may pay all expenses, premiums and
966 commissions which the State Bond Commission may deem necessary or
967 advantageous in connection with the issuance thereof, but solely
968 from the proceeds of the bonds. The issuance by the state of one
969 or more series of bonds shall not preclude it from issuing other
970 series of bonds, but the proceedings under which any subsequent
971 bonds may be issued shall recognize and protect any prior pledge
972 made for any prior issuance of bonds.

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

975 69-2-25. No bond issued under Sections 69-2-19 through
976 69-2-39 of this chapter shall bear more than one (1) rate of
977 interest; each bond shall bear interest from its date to its
978 stated maturity date at the interest rate specified on the bonds;
979 and all bonds of the same maturity shall bear the same rate of
980 interest from date to maturity. All interest accruing on bonds
981 shall be payable semiannually or annually, except the first
982 interest coupon attached to any bond may be for any period not
983 exceeding one (1) year. If bonds are issued in coupon form, no
984 interest payment shall be evidenced by more than one (1) coupon,
985 and neither cancelled nor supplemental coupons shall be permitted.
986 If serial bonds, such bonds shall mature annually, and the first
987 maturity date thereof shall not be more than five (5) years from
988 the date of such bonds.

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

991 69-2-27. Notice of the sale of any such bonds shall be
992 published at least one time which shall be made not less than ten
993 (10) days prior to the date of sale, and shall be so published in
994 one or more newspapers having a general circulation in the City of
995 Jackson and in one or more other newspapers or financial journals
996 with a large national circulation, to be selected by the State
997 Bond Commission.

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

1000 69-2-29. All bonds shall be executed on behalf of the state
1001 by the manual or facsimile signature of the Chairman of the State
1002 Bond Commission and shall be countersigned by the manual or
1003 facsimile signature of the Secretary of the State Bond Commission.
1004 All coupons shall be executed on behalf of the state by the
1005 facsimile signatures of the Chairman and Secretary of the State
1006 Bond Commission. If the officers whose signatures or
1007 countersignatures appear on the bonds or interest coupons shall
1008 cease to be such officers before delivery of the bonds, such
1009 signatures or countersignatures shall nevertheless be valid and
1010 sufficient for all purposes, the same as if they had remained in
1011 office until such delivery, or had been in office on the date such
1012 bonds may bear.

1013 **SECTION 30.** Section 69-2-30, Mississippi Code of 1972, is
1014 brought forward as follows:

1015 69-2-30. (1) In lieu of the issuance of bonds pursuant to
1016 the authority granted in Section 69-2-19, Mississippi Code of
1017 1972, the State Bond Commission is authorized and empowered, if
1018 more economically feasible, to borrow funds in an aggregate
1019 principal amount not to exceed the amount specified in Section
1020 69-2-19, Mississippi Code of 1972. The Bond Commission, to
1021 evidence such loan, may issue and sell the negotiable coupon notes
1022 of the State of Mississippi, which notes may be issued in series,
1023 from time to time, as the proceeds thereof are needed. The notes
1024 shall be in such form and shall have such details as may be
1025 provided by the commission, except that the notes of each series
1026 shall be issued with final maturity not more than five (5) years
1027 from the date of such series. For the prompt payment of such
1028 notes at maturity, both principal and interest, the same pledges
1029 may be made as are authorized for the repayment of bonds in
1030 Section 69-2-21, Mississippi Code of 1972.

1031 (2) The notes herein authorized shall be sold from time to
1032 time by the Bond Commission as the need for the proceeds thereof
1033 may arise, and the Bond Commission shall advertise and accept bids
1034 therefor and issue and sell such notes at a price which will
1035 result in the lowest interest rate on the best terms obtainable
1036 for the state.

1037 (3) The Bond Commission in providing for the issuance of the
1038 notes herein authorized shall have discretion in fixing the terms
1039 and details thereof and may provide for the issuance of such notes
1040 in such form, executed in such manner, and payable at such place
1041 or places, and containing such terms, covenants and provisions as
1042 the Bond Commission may provide.

1043 **SECTION 31.** Section 69-2-31, Mississippi Code of 1972, is
1044 brought forward as follows:

1045 69-2-31. Upon the issuance and sale of bonds or notes, the
1046 State Bond Commission shall transfer the proceeds of any such sale
1047 or sales to the Emerging Crops Fund. The proceeds of such bonds
1048 or notes shall be disbursed solely upon the order of the
1049 department under such restrictions, if any, as may be contained in
1050 the resolution providing for the issuance of the bonds or notes.

1051 **SECTION 32.** Section 69-2-33, Mississippi Code of 1972, is
1052 brought forward as follows:

1053 69-2-33. The Attorney General of the State of Mississippi
1054 shall represent the department in issuing, selling and validating
1055 bonds or notes authorized under Sections 69-2-19 through 69-2-39
1056 of this chapter, and the department is authorized to pay from the
1057 proceeds derived from the sale of such bonds or notes, or from
1058 other funds available to the department, the reasonable cost of
1059 approving attorney's fees, validating, printing and cost of
1060 delivery of such bonds or notes.

1061 **SECTION 33.** Section 69-2-35, Mississippi Code of 1972, is
1062 brought forward as follows:

1063 69-2-35. Bonds or notes issued under Sections 69-2-19
1064 through 69-2-39 of this chapter shall be legal investments for
1065 commercial banks, trust companies, savings and loan associations,
1066 and insurance companies organized under the laws of this state.

1067 **SECTION 34.** Section 69-2-37, Mississippi Code of 1972, is
1068 brought forward as follows:

1069 69-2-37. All bonds or notes issued under Sections 69-2-19
1070 through 69-2-39 of this chapter and the income therefrom shall be
1071 exempt from all taxation in the State of Mississippi except gift,
1072 transfer and inheritance taxes.

1073 **SECTION 35.** Section 69-2-39, Mississippi Code of 1972, is
1074 brought forward as follows:

1075 69-2-39. Sections 69-2-19 through 69-2-39 of this chapter,
1076 without reference to any statute not referred to herein, shall be
1077 deemed to be full and complete authority for the issuance of such
1078 bonds or notes, and shall be construed as an additional and
1079 alternative method therefor, and none of the present restrictions,
1080 requirements, conditions or limitations of law applicable to the
1081 issuance or sale of bonds, notes or other obligations by the state
1082 shall apply to the issuance and sale of bonds or notes under
1083 Sections 69-2-19 through 69-2-39 of this chapter, and no
1084 proceedings shall be required for the issuance of such bonds or
1085 notes other than those provided for and required herein, and all
1086 powers necessary to be exercised in order to carry out the
1087 provisions of Sections 69-2-13 through 69-2-37 of this chapter are
1088 hereby conferred.

1089 **SECTION 36.** Section 69-2-40, Mississippi Code of 1972, is
1090 brought forward as follows:

1091 69-2-40. (1) Any attorney's fees paid as the result of the
1092 issuance of bonds under Sections 69-2-19 through 69-2-39 of this
1093 chapter shall be in compliance with the limits on attorney's fees
1094 for bond issues as adopted by the State Bond Commission.

1095 Attorney's fees paid as the result of the issuance of such bonds

1096 are subject to negotiation but in no event may they exceed the
1097 limits established by the State Bond Commission. A detailed
1098 accounting of all expenses incurred by all persons, firms,
1099 corporations, associations or other organizations involved in such
1100 bond issues shall be submitted to the State Bond Commission within
1101 ninety (90) days after the issuance of such bonds and shall be a
1102 matter of public record.

1103 (2) No member of the Legislature, elected official or
1104 appointed official, or any partner or associate of any member of
1105 the Legislature, elected official or appointed official, shall
1106 derive any income from the issuance of any bonds or the
1107 disposition of any property under Sections 69-2-19 through 69-2-39
1108 of this chapter contrary to the provisions of Section 109,
1109 Mississippi Constitution of 1890, or Article 3, Chapter 4, Title
1110 25, Mississippi Code of 1972.

1111 **SECTION 37.** Section 69-2-41, Mississippi Code of 1972, is
1112 brought forward as follows:

1113 69-2-41. If for any reason any section, paragraph,
1114 provision, clause or part of Sections 69-2-13 through 69-2-39 of
1115 this chapter shall be held unconstitutional or invalid, that
1116 section shall not affect or invalidate any other section,
1117 paragraph, provision, clause or part of this chapter not in and of
1118 itself invalid, but the remaining portions thereof shall be in
1119 force without regard to that so invalidated.

1120 **SECTION 38.** This act shall take effect and be in force from
1121 and after its passage.