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To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 3199

1 AN ACT TO CREATE THE MILK PRODUCERS TRANSPORTATION COST
2 ASSISTANCE FUND; TO PROVIDE THAT MONEY IN THE FUND SHALL BE USED
3 TO REIMBURSE MILK PRODUCERS FOR FUEL TRANSPORTATION COSTS AND
4 OTHER COSTS INCURRED IN THE TRANSPORTATION AND DELIVERY OF MILK;
5 TO PROVIDE THAT THE REIMBURSEMENT PROGRAM SHALL BE ADMINISTERED BY
6 THE MISSISSIPPI DEVELOPMENT AUTHORITY; TO PROVIDE THAT
7 REIMBURSEMENT TO MILK PRODUCERS UNDER THIS ACT SHALL NOT EXCEED
8 \$1,750,000.00 IN THE AGGREGATE IN ANY CALENDAR YEAR; TO PROVIDE
9 THAT IN ORDER TO BE ELIGIBLE FOR REIMBURSEMENT A MILK PRODUCER
10 MUST PRODUCE AT LEAST 300,000 POUNDS OF MILK A CALENDAR YEAR; TO
11 PROVIDE THAT THE MAXIMUM AMOUNT THAT MAY BE REIMBURSED TO A MILK
12 PRODUCER DURING A CALENDAR YEAR IS \$10,000.00 OR THE ACTUAL FUEL
13 COSTS AND OTHER COSTS INCURRED IN THE TRANSPORTATION AND DELIVERY
14 OF MILK BY A MILK PRODUCER DURING A CALENDAR YEAR, WHICHEVER IS
15 LESS; TO AUTHORIZE THE ISSUANCE OF STATE GENERAL OBLIGATION BONDS
16 IN THE AMOUNT OF \$3,500,000.00 FOR DEPOSIT INTO THE MILK PRODUCERS
17 TRANSPORTATION COST ASSISTANCE FUND; AND FOR RELATED PURPOSES.

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

19 **SECTION 1.** (1) There is hereby created in the State
20 Treasury a special fund to be designated as the "Milk Producers
21 Transportation Cost Assistance Fund," which shall consist of funds
22 from any other source designated for deposit into such fund.
23 Unexpended amounts remaining in the fund at the end of a fiscal
24 year shall not lapse into the State General Fund, and any
25 investment earnings or interest earned on amounts in the fund
26 shall be deposited to the credit of the fund. Monies in the fund
27 shall be used to reimburse milk producers who are eligible under
28 this section for fuel transportation costs and other costs
29 incurred in the transportation and delivery of milk.

30 (2) The Mississippi Development Authority shall establish a
31 program to reimburse residents of this state who are engaged in
32 the business of producing milk ("milk producers") for fuel
33 transportation costs and other costs incurred in the delivery of
34 milk by such milk producers. Reimbursements made under this

35 section to milk producers shall not exceed One Million Seven
36 Hundred Fifty Thousand Dollars (\$1,750,000.00) in the aggregate
37 during any calendar year.

38 (3) In order to be eligible for reimbursement under this
39 section, a milk producer must produce and sell at least three
40 hundred thousand (300,000) pounds of milk during a calendar year.
41 The maximum amount that may be reimbursed to a milk producer
42 during a calendar year is Ten Thousand Dollars (\$10,000.00) or the
43 actual fuel costs and other costs incurred in the transportation
44 and delivery of milk by a milk producer during a calendar year,
45 whichever is less.

46 (4) The Commissioner of Agriculture and Commerce shall
47 promulgate rules and regulations necessary for determining whether
48 a milk producer is eligible for reimbursement under this section
49 and shall certify to the Mississippi Development Authority whether
50 a milk producer requesting reimbursement has satisfied the
51 eligibility requirements of this section.

52 (5) A milk producer desiring reimbursement under this
53 section must submit an application for reimbursement to the
54 Mississippi Development Authority. The application must include
55 any information required by the Mississippi Development Authority.

56 (6) The Mississippi Development Authority shall have all
57 powers necessary to implement and administer the program
58 established under this section, and the department shall
59 promulgate rules and regulations, in accordance with the
60 Mississippi Administrative Procedures Law, necessary for the
61 implementation of this section.

62 (7) This section shall stand repealed from and after
63 December 31, 2008.

64 **SECTION 2.** (1) As used in this section, the following words
65 shall have the meanings ascribed herein unless the context clearly
66 requires otherwise:

67 (a) "Accreted value" of any bonds means, as of any date
68 of computation, an amount equal to the sum of (i) the stated
69 initial value of such bond, plus (ii) the interest accrued thereon
70 from the issue date to the date of computation at the rate,
71 compounded semiannually, that is necessary to produce the
72 approximate yield to maturity shown for bonds of the same
73 maturity.

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

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

76 (2) (a) The Mississippi Development Authority, at one time,
77 or from time to time, may declare by resolution the necessity for
78 issuance of general obligation bonds of the State of Mississippi
79 to provide funds for the program authorized in Section 1 of this
80 act. Upon the adoption of a resolution by the Mississippi
81 Development Authority, declaring the necessity for the issuance of
82 any part or all of the general obligation bonds authorized by this
83 subsection, the Mississippi Development Authority shall deliver a
84 certified copy of its resolution or resolutions to the commission.
85 Upon receipt of such resolution, the commission, in its
86 discretion, may act as the issuing agent, prescribe the form of
87 the bonds, advertise for and accept bids, issue and sell the bonds
88 so authorized to be sold and do any and all other things necessary
89 and advisable in connection with the issuance and sale of such
90 bonds. The total amount of bonds issued under this section shall
91 not exceed Three Million Five Hundred Thousand Dollars
92 (\$3,500,000.00); however, not more than One Million Seven Hundred
93 Fifty Thousand Dollars (\$1,750,000.00) may be issued in calendar
94 year 2007 and not more than One Million Seven Hundred Fifty
95 Thousand Dollars (\$1,750,000.00) may be issued in calendar year
96 2008. No bonds authorized under this section shall be issued
97 after December 31, 2008.

98 (b) The proceeds of bonds issued pursuant to this
99 section shall be deposited into the Milk Producers Transportation

100 Cost Assistance Fund created pursuant to Section 1 of this act.
101 Any investment earnings on bonds issued pursuant to this section
102 shall be used to pay debt service on bonds issued under this
103 section, in accordance with the proceedings authorizing issuance
104 of such bonds.

105 (3) The principal of and interest on the bonds authorized
106 under this section shall be payable in the manner provided in this
107 subsection. Such bonds shall bear such date or dates, be in such
108 denomination or denominations, bear interest at such rate or rates
109 (not to exceed the limits set forth in Section 75-17-101,
110 Mississippi Code of 1972), be payable at such place or places
111 within or without the State of Mississippi, shall mature
112 absolutely at such time or times not to exceed twenty-five (25)
113 years from date of issue, be redeemable before maturity at such
114 time or times and upon such terms, with or without premium, shall
115 bear such registration privileges, and shall be substantially in
116 such form, all as shall be determined by resolution of the
117 commission.

118 (4) The bonds authorized by this section shall be signed by
119 the chairman of the commission, or by his facsimile signature, and
120 the official seal of the commission shall be affixed thereto,
121 attested by the secretary of the commission. The interest
122 coupons, if any, to be attached to such bonds may be executed by
123 the facsimile signatures of such officers. Whenever any such
124 bonds shall have been signed by the officials designated to sign
125 the bonds who were in office at the time of such signing but who
126 may have ceased to be such officers before the sale and delivery
127 of such bonds, or who may not have been in office on the date such
128 bonds may bear, the signatures of such officers upon such bonds
129 and coupons shall nevertheless be valid and sufficient for all
130 purposes and have the same effect as if the person so officially
131 signing such bonds had remained in office until their delivery to
132 the purchaser, or had been in office on the date such bonds may

133 bear. However, notwithstanding anything herein to the contrary,
134 such bonds may be issued as provided in the Registered Bond Act of
135 the State of Mississippi.

136 (5) All bonds and interest coupons issued under the
137 provisions of this section have all the qualities and incidents of
138 negotiable instruments under the provisions of the Uniform
139 Commercial Code, and in exercising the powers granted by this
140 section, the commission shall not be required to and need not
141 comply with the provisions of the Uniform Commercial Code.

142 (6) The commission shall act as the issuing agent for the
143 bonds authorized under this section, prescribe the form of the
144 bonds, advertise for and accept bids, issue and sell the bonds so
145 authorized to be sold, pay all fees and costs incurred in such
146 issuance and sale, and do any and all other things necessary and
147 advisable in connection with the issuance and sale of such bonds.
148 The commission is authorized and empowered to pay the costs that
149 are incident to the sale, issuance and delivery of the bonds
150 authorized under this section from the proceeds derived from the
151 sale of such bonds. The commission shall sell such bonds on
152 sealed bids at public sale, and for such price as it may determine
153 to be for the best interest of the State of Mississippi, but no
154 such sale shall be made at a price less than par plus accrued
155 interest to the date of delivery of the bonds to the purchaser.
156 All interest accruing on such bonds so issued shall be payable
157 semiannually or annually; however, the first interest payment may
158 be for any period of not more than one (1) year.

159 Notice of the sale of any such bonds shall be published at
160 least one time, not less than ten (10) days before the date of
161 sale, and shall be so published in one or more newspapers
162 published or having a general circulation in the City of Jackson,
163 Mississippi, and in one or more other newspapers or financial
164 journals with a national circulation, to be selected by the
165 commission.

166 The commission, when issuing any bonds under the authority of
167 this section, may provide that bonds, at the option of the State
168 of Mississippi, may be called in for payment and redemption at the
169 call price named therein and accrued interest on such date or
170 dates named therein.

171 (7) The bonds issued under the provisions of this section
172 are general obligations of the State of Mississippi, and for the
173 payment thereof the full faith and credit of the State of
174 Mississippi is irrevocably pledged. If the funds appropriated by
175 the Legislature are insufficient to pay the principal of and the
176 interest on such bonds as they become due, then the deficiency
177 shall be paid by the State Treasurer from any funds in the State
178 Treasury not otherwise appropriated. All such bonds shall contain
179 recitals on their faces substantially covering the provisions of
180 this subsection.

181 (8) Upon the issuance and sale of bonds under the provisions
182 of this section, the commission shall transfer the proceeds of any
183 such sale or sales to the Milk Producers Transportation Cost
184 Assistance Fund created in Section 1 of this act. The proceeds of
185 such bonds shall be disbursed solely upon the order of the
186 Mississippi Development Authority under such restrictions, if any,
187 as may be contained in the resolution providing for the issuance
188 of the bonds.

189 (9) The bonds authorized under this section may be issued
190 without any other proceedings or the happening of any other
191 conditions or things other than those proceedings, conditions and
192 things which are specified or required by this section. Any
193 resolution providing for the issuance of bonds under the
194 provisions of this section shall become effective immediately upon
195 its adoption by the commission, and any such resolution may be
196 adopted at any regular or special meeting of the commission by a
197 majority of its members.

198 (10) The bonds authorized under the authority of this
199 section may be validated in the Chancery Court of the First
200 Judicial District of Hinds County, Mississippi, in the manner and
201 with the force and effect provided by Chapter 13, Title 31,
202 Mississippi Code of 1972, for the validation of county, municipal,
203 school district and other bonds. The notice to taxpayers required
204 by such statutes shall be published in a newspaper published or
205 having a general circulation in the City of Jackson, Mississippi.

206 (11) Any holder of bonds issued under the provisions of this
207 section or of any of the interest coupons pertaining thereto may,
208 either at law or in equity, by suit, action, mandamus or other
209 proceeding, protect and enforce any and all rights granted under
210 this section, or under such resolution, and may enforce and compel
211 performance of all duties required by this section to be
212 performed, in order to provide for the payment of bonds and
213 interest thereon.

214 (12) All bonds issued under the provisions of this section
215 shall be legal investments for trustees and other fiduciaries, and
216 for savings banks, trust companies and insurance companies
217 organized under the laws of the State of Mississippi, and such
218 bonds shall be legal securities which may be deposited with and
219 shall be received by all public officers and bodies of this state
220 and all municipalities and political subdivisions for the purpose
221 of securing the deposit of public funds.

222 (13) Bonds issued under the provisions of this section and
223 income therefrom shall be exempt from all taxation in the State of
224 Mississippi.

225 (14) The proceeds of the bonds issued under this section
226 shall be used solely for the purposes therein provided, including
227 the costs incident to the issuance and sale of such bonds.

228 (15) The State Treasurer is authorized, without further
229 process of law, to certify to the Department of Finance and
230 Administration the necessity for warrants, and the Department of

231 Finance and Administration is authorized and directed to issue
232 such warrants, in such amounts as may be necessary to pay when due
233 the principal of, premium, if any, and interest on, or the
234 accreted value of, all bonds issued under this section; and the
235 State Treasurer shall forward the necessary amount to the
236 designated place or places of payment of such bonds in ample time
237 to discharge such bonds, or the interest thereon, on the due dates
238 thereof.

239 (16) This section shall be deemed to be full and complete
240 authority for the exercise of the powers therein granted, but this
241 section shall not be deemed to repeal or to be in derogation of
242 any existing law of this state.

243 **SECTION 3.** This act shall take effect and be in force from
244 and after July 1, 2007, and shall stand repealed from and after
245 June 30, 2007.