

By: Senator(s) Hyde-Smith, Robertson, Lee
(35th)

To: Finance

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 \$1,750,000,000.00 IN THE AGGREGATE IN ANY CALENDAR YEAR; TO
9 PROVIDE THAT IN ORDER TO BE ELIGIBLE FOR REIMBURSEMENT A MILK
10 PRODUCER MUST PRODUCE AT LEAST 300,000 POUNDS OF MILK A CALENDAR
11 YEAR; TO PROVIDE THAT THE MAXIMUM AMOUNT THAT MAY BE REIMBURSED TO
12 A MILK PRODUCER DURING A CALENDAR YEAR IS \$10,000.00 OR THE ACTUAL
13 FUEL COSTS AND OTHER COSTS INCURRED IN THE TRANSPORTATION AND
14 DELIVERY OF MILK BY A MILK PRODUCER DURING A CALENDAR YEAR,
15 WHICHEVER IS LESS; TO AUTHORIZE THE ISSUANCE OF STATE GENERAL
16 OBLIGATION BONDS IN THE AMOUNT OF \$3,500,000.00 FOR DEPOSIT INTO
17 THE MILK PRODUCERS TRANSPORTATION COST ASSISTANCE FUND; AND FOR
18 RELATED PURPOSES.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

244 **SECTION 3.** Section 1 of this act shall take effect and be in
245 force from and after January 1, 2007. The remainder of this act
246 shall take effect and be in force from and after its passage.