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To: Finance

SENATE BILL NO. 3199  
(As Sent to Governor)

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

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

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

28 (2) The Mississippi Development Authority shall establish a  
29 loan program to make loans to residents of this state who are  
30 engaged in the business of producing milk (milk producers) for  
31 fuel transportation costs and other costs incurred in the delivery  
32 of milk by such milk producers.

33 (3) In order to be eligible for a loan under this section, a  
34 milk producer must produce and sell at least three hundred

35 thousand (300,000) pounds of milk during a calendar year. The  
36 maximum amount that may be loaned to a milk producer under this  
37 act is Twenty Thousand Dollars (\$20,000.00) or the actual fuel  
38 costs and other costs incurred in the transportation and delivery  
39 of milk by a milk producer, whichever is less.

40 (4) The Mississippi State University Cooperative Extension  
41 Service shall promulgate rules and regulations necessary for  
42 determining whether a milk producer is eligible for a loan under  
43 this section and shall certify to the Mississippi Development  
44 Authority whether a milk producer requesting a loan has satisfied  
45 the eligibility requirements of this section.

46 (5) A milk producer desiring a loan under this section must  
47 submit an application for a loan to the Mississippi Development  
48 Authority. The application must include any information required  
49 by the Mississippi Development Authority.

50 (6) The loans made under this section shall bear no  
51 interest. The loans shall be amortized over a period of  
52 ninety-six (96) months and payments on such loans shall begin on  
53 or after July 1, 2009.

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

60 (8) This section shall stand repealed from and after  
61 December 31, 2009.

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

65 (a) "Accreted value" of any bonds means, as of any date  
66 of computation, an amount equal to the sum of (i) the stated  
67 initial value of such bond, plus (ii) the interest accrued thereon

68 from the issue date to the date of computation at the rate,  
69 compounded semiannually, that is necessary to produce the  
70 approximate yield to maturity shown for bonds of the same  
71 maturity.

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

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

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

92 (b) The proceeds of bonds issued pursuant to this  
93 section shall be deposited into the Milk Producers Transportation  
94 Cost Assistance Loan Fund created pursuant to Section 1 of this  
95 act. Any investment earnings on bonds issued pursuant to this  
96 section shall be used to pay debt service on bonds issued under  
97 this section, in accordance with the proceedings authorizing  
98 issuance of such bonds.

99 (3) The principal of and interest on the bonds authorized  
100 under this section shall be payable in the manner provided in this

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

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

130 (5) All bonds and interest coupons issued under the  
131 provisions of this section have all the qualities and incidents of  
132 negotiable instruments under the provisions of the Uniform  
133 Commercial Code, and in exercising the powers granted by this

134 section, the commission shall not be required to and need not  
135 comply with the provisions of the Uniform Commercial Code.

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

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

160 The commission, when issuing any bonds under the authority of  
161 this section, may provide that bonds, at the option of the State  
162 of Mississippi, may be called in for payment and redemption at the  
163 call price named therein and accrued interest on such date or  
164 dates named therein.

165 (7) The bonds issued under the provisions of this section  
166 are general obligations of the State of Mississippi, and for the

167 payment thereof the full faith and credit of the State of  
168 Mississippi is irrevocably pledged. If the funds appropriated by  
169 the Legislature are insufficient to pay the principal of and the  
170 interest on such bonds as they become due, then the deficiency  
171 shall be paid by the State Treasurer from any funds in the State  
172 Treasury not otherwise appropriated. All such bonds shall contain  
173 recitals on their faces substantially covering the provisions of  
174 this subsection.

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

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

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

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

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

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

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

222           (15) The State Treasurer is authorized, without further  
223 process of law, to certify to the Department of Finance and  
224 Administration the necessity for warrants, and the Department of  
225 Finance and Administration is authorized and directed to issue  
226 such warrants, in such amounts as may be necessary to pay when due  
227 the principal of, premium, if any, and interest on, or the  
228 accreted value of, all bonds issued under this section; and the  
229 State Treasurer shall forward the necessary amount to the  
230 designated place or places of payment of such bonds in ample time  
231 to discharge such bonds, or the interest thereon, on the due dates  
232 thereof.

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

237           **SECTION 3.** This act shall take effect and be in force from  
238 and after July 1, 2007.