MISSISSIPPI LEGISLATURE REGULAR SESSION 2007

By: Senator(s) Hyde-Smith, Robertson, Lee (35th), Albritton, Browning, Burton, Butler, Chassaniol, Dawkins, Frazier, Gordon, Jackson (11th), Jackson (32nd), Jordan, King, Morgan, Pickering, Posey, Tollison, Walley, Walls, White, Williamson, Lee (47th), Cuevas

To: Finance

COMMITTEE SUBSTITUTE
FOR
SENATE BILL NO. 3199

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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