

House Bill 361

By: Representatives Floyd of the 138th, Ray of the 128th, Purcell of the 147th and Hudson of the 156th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 19 of Title 2 of the Official Code of Georgia Annotated, relating to the
2 Georgia Cotton Producers Indemnity Fund of 1999, so as to change the provisions relating
3 to payment of funds from the Georgia Cotton Producers Indemnity Fund of 1999; to provide
4 for a definition; to provide for payment of claims for certain additional losses; to provide for
5 practices, procedures, qualifications, and requirements; to provide for and to change certain
6 time limits; to provide an effective date; to repeal conflicting laws; and for other purposes.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 **SECTION 1.**

9 Chapter 19 of Title 2 of the Official Code of Georgia Annotated, relating to the Georgia
10 Cotton Producers Indemnity Fund of 1999, is amended by striking subsection (f) of Code
11 Section 2-19-5, relating to the creation of the Georgia Cotton Producers Indemnity Fund of
12 1999, and inserting in its place the following:

13 "(f) All amounts in the Georgia Cotton Producers Indemnity Fund of 1999 shall be paid
14 out no later than January 1, 2002. If more than \$5 million has been paid to cotton
15 producers prior to January 1, ~~2000~~ 2002, and the total amount of eligible claims is less than
16 \$10 million, any excess funds in the Georgia Cotton Producers Indemnity Fund of 1999
17 shall be ~~expended as provided in Code Section 2-19-5.1~~ paid out as provided in Code
18 Section 2-19-5.1 and the balance, if any, shall be paid to the general fund of the state
19 treasury. If less than \$5 million has been paid to cotton producers, the difference between
20 the total amount paid to cotton producers and \$5 million shall be returned to the secretary
21 of agriculture of the United States and any amounts remaining above such \$5 million shall
22 be paid to the general fund of the state treasury."

23 **SECTION 2.**

24 Said chapter is further amended by striking Code Section 2-19-5.1, relating to cotton ginner
25 and payment of excess funds, and inserting in its place the following:

1 "2-19-5.1.

2 (a) As used in this Code section, the term 'cotton ginner' means any person, firm,
3 partnership, limited liability company, or corporation which operated a cotton gin in this
4 state on May 1, 2000, and which incurred a loss as described in this Code section on or
5 before May 1, 2000.

6 (b) Notwithstanding any other provision of this chapter, any moneys remaining in the
7 Georgia Cotton Producers Indemnity Fund of 1999 on January 1, 2000, after all valid and
8 properly filed claims filed on or before May 1, 2000, have been paid shall be paid to cotton
9 ginner who:

10 (1) Incurred a loss as the result of the business failure of any cotton buyer doing business
11 in this state or the failure or refusal of any such cotton buyer to pay the contracted price
12 which had been agreed upon by the ginner and the buyer for cotton grown in this state on
13 or after January 1, 1997, and which had been purchased or contracted by the ginner from
14 cotton producers in this state;

15 (2) Paid cotton producers the amount which the cotton ginner had agreed to pay for such
16 cotton received from such cotton producers in this state;

17 (3) Notified the Commissioner on or before May 1, 2000, either orally or in writing, of
18 a loss sustained by such cotton ginner as a result of the business failure of any cotton
19 buyer doing business in this state or the failure or refusal of such cotton buyer to pay the
20 contracted price which had been agreed upon by the ginner and the buyer for cotton
21 grown in this state on or after January 1, 1997, and which had been purchased or
22 contracted by the ginner from cotton producers in this state; and

23 (4) File a claim for indemnification from the Georgia Cotton Producers Indemnity Fund
24 of 1999 with the Commissioner, in writing and accompanied by sufficient proof of such
25 losses, on or before July 1, 2000.

26 (c) Claims shall be filed by cotton ginner, shall contain the same information, and shall
27 be verified in the same manner as provided in Code Section 2-19-4 for claims by cotton
28 producers. The Commissioner shall have the same powers and duties to investigate,
29 process, and pay claims of cotton ginner as provided in Code Section 2-19-3 for claims
30 of cotton producers. Claims and the acceptance of payments on such claims shall be
31 subject to Code Sections 2-19-6 and 2-19-7. Properly verified and proven claims filed by
32 cotton ginner on or before July 1, 2000, shall be paid by the Commissioner from the fund
33 on or before December 31, ~~2000~~ 2001. Such claims shall be paid only from moneys
34 remaining in the fund, any moneys recovered by the state from associated bonds and claims
35 to which it was subrogated, and interest thereon ~~on January 1, 2000~~. The payment of such
36 claims shall not affect any payments which have previously been made to cotton producers
37 from the fund. If insufficient moneys remain in the fund to pay the total amount of all

1 claims filed by cotton ginner's, claims shall be paid on a proportional basis, based on the
2 ratio of each cotton ginner's properly filed and proven claim to the total of all cotton
3 ginner's claims properly filed and proven. Any moneys remaining in the Georgia Cotton
4 Producers Indemnity Fund of 1999 on January 1, ~~2001~~ 2002, after the payment of claims
5 shall be paid into the general fund of the state treasury."

6 **SECTION 3.**

7 This Act shall become effective upon its approval by the Governor or upon its becoming law
8 without such approval.

9 **SECTION 4.**

10 All laws and parts of laws in conflict with this Act are repealed.