

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 1348

Short Title: Cotton Promotion Funds.

(Public)

Sponsors: Representatives DeVane, Cummings; Lee, Sutton, and Bowman.

Referred to: Appropriations.

May 11, 1993

A BILL TO BE ENTITLED

1 AN ACT TO APPROPRIATE ACCUMULATED INTEREST FROM THE NORTH
2 CAROLINA WAREHOUSE ACT FUND FOR NONRECURRING COTTON
3 PROMOTION PROJECTS AND ACTIVITIES.
4

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 106-435 reads as rewritten:

7 "**§ 106-435. Fund for support of system; collection and investment.**

8 In order to provide a sufficient indemnifying or guarantee fund to cover any loss not
9 covered by the bonds hereinbefore mentioned, in order to provide the financial backing
10 which is essential to make the warehouse receipt universally acceptable as collateral,
11 and in order to provide that a State warehouse system intended to benefit all cotton
12 growers in North Carolina shall be supported by the class it is designed to benefit, it is
13 hereby declared: that on each bale of cotton ginned in North Carolina during the period
14 from the ratification of this bill until June 30, 1922, twenty-five cents (25¢) shall be
15 collected through the ginner of the bale and paid into the State treasury, to be held there
16 as a special guarantee or indemnifying fund to safeguard the State warehouse system
17 against any loss not otherwise covered. The State Tax Commission shall provide and
18 enforce the machinery for the collection of this tax, which shall be held in the State
19 treasury to the credit of the State warehouse system. Not less than ten per centum (10%)
20 of the entire amount collected from the per bale tax shall be invested in United States
21 government or farm loan bonds or North Carolina bonds, and the remainder may be
22 invested in amply secured first mortgage notes or bonds to aid and encourage the
23 establishment of warehouses operating under this system, and to aid and encourage the
24 establishment of farm markets designed to serve the marketing, packaging, and grading

1 needs for the sale and distribution of unprocessed farm commodities when adequate
2 markets are not otherwise provided. Such investments shall be made by the Board of
3 Agriculture, with the approval of the Governor and Attorney General: Provided, such
4 first mortgages shall be for not more than one-half the actual value of the warehouse
5 property covered by such mortgages, and run not more than 10 years: Provided further,
6 that the interest received from all investments shall be available for appropriation for
7 capital projects and nonrecurring expenditures as provided in the act making the
8 appropriation, and for the administrative expense of carrying into effect the provisions
9 of this law, including the employment of such persons and such means as the State
10 Board of Agriculture in its discretion may deem necessary: Provided further, that the
11 guarantee fund, raised under the provisions of sections 4907 to 4925 of the Consolidated
12 Statutes of 1919, shall become to all intents and purposes a part of guarantee fund to be
13 raised under this law and subject to all the provisions hereof."

14 Sec. 2. There is appropriated from the North Carolina Warehouse Act Fund
15 to the Department of Agriculture the sum of four hundred thousand dollars (\$400,000)
16 in accumulated interest for the 1993-94 fiscal year for nonrecurring cotton promotion
17 projects and activities.

18 Sec. 3. This act becomes effective July 1, 1993.