

NOTICE OF PROPOSED RULE ADOPTION

**STATE OF MISSISSIPPI
DEPARTMENT OF AGRICULTURE AND COMMERCE**

**P.O. Box 1609
Jackson, MS 39215-1609
(601)359-1100
Contact Person: Jim Lipe
JimL@mdac.state.ms.us**

Specific Legal Authority authorizing the promulgation of Rule:

Miss. Code Ann. Sections 69-51-1 et seq.

Reference to Rules repealed, amended or suspended by the Proposed Rule:

Ethanol & Bio-Diesel Producer Payment Rules & Criteria

Explanation of the Purpose of the Proposed Rule and the reason(s) for proposing the rule:

Repayment Program administered by MDAC to provide incentive for ethanol and/or bio-diesel producers to utilize farm products grown in Mississippi, including derivatives and byproducts, biomass, or other farm resource commodities.

This rule is proposed as a Final Rule, and/or a Temporary Rule (Check one or both boxers as applicable.)

Persons may present their views on the proposed rule by addressing written comments to the agency at the above address. Persons making comments should include their name and address, as well as other contact information, and if you are an agent or attorney, the name, address and telephone number of the party or parties you represent.

Oral Proceeding: *(Check one box below)*

An oral proceeding is scheduled on this rule on Date: _____ Time: _____
Place: _____

If you wish to be heard and present evidence at the oral proceeding you must make a written request to the agency at the above address at least _____ days prior to the proceeding to be placed on the agenda. The request should include your name, address, telephone number as well as other contact information; and if you are an agent or attorney, the name, address and telephone number of the party or parties you represent.

An oral proceeding is not scheduled on this rule. Where an oral proceeding is not scheduled, an oral proceeding will be held if a written request for an oral proceeding is submitted by a political subdivision, an agency or ten (10) persons. The written request should be submitted to the agency contact person at the above address within twenty (20) days after the filing of this notice of proposed rule adoption and should include the name, address and telephone number of the person(s) making the request; and if you are an agent or attorney, the name, address and telephone number of the party or parties you represent.

Economic Impact Statement: *(Check one box below)*

The agency has determined that an economic impact statement is not required for this rule, or

The concise summary of the economic impact statement required is attached.

The entire text of the Proposed Rule including the text of any rule being amended or changed is attached.

Date Rule Proposed: 3/1/06

Proposed Effective Date of Rule: 4/27/06

Signature and Title of Person Submitting Rule for Filing

CONCISE SUMMARY OF ECONOMIC IMPACT STATEMENT

STATE OF MISSISSIPPI DEPARTMENT OF AGRICULTURE AND COMMERCE

P.O. Box 1609
Jackson, MS 39215-1609
(601)359-1100
Contact Person: Jim Lipe
JimL@mdac.state.ms.us

Specific Legal Authority authorizing the promulgation of Rule:

Miss. Code Ann. Sections 69-51-1 et seq.

Reference to Rules repealed, amended or suspended by the Proposed Rule:

Ethanol & Bio-Diesel Producer Payment Rules & Criteria

An Economic Impact Statement is required for this proposed rule by Section 25-43-3.105 of the Administrative Procedures Law. This is a Concise Summary of the Economic Impact Statement which must be filed with the Notice of Proposed Rule Adoption in the Secretary of State's Office. The full text of the Economic Impact Statement may be obtained from the agency contact person at the above address.

Persons may present their views by submitting written comments on the proposed rule adoption to the agency contact person at the above address. Additional information on where, when and how persons may present their views or demand an oral proceeding on the proposed rule are included in the Notice of Proposed Rule Adoption to which this is attached.

a. Description of the need for and the benefits of the proposed rule:

To provide economic benefit to Mississippi's agricultural sector by encouraging in all economically feasible situations the production of ethanol and/or bio-diesel from Mississippi produced feedstock.

b. Cost estimate to the agency and other state or local government entities:

The Department estimates 200 hours annually. Time is the only resource required to carry out this function. No additional personnel will be required to meet this permitting process. As stated in the law, the maximum cost to the State of Mississippi is \$37 Million annually.

c. Estimate of the cost or economic benefit to all persons:

Producers within a reasonable radius of facilities erected in the state will benefit by realizing an increase in demand and price for their product.

d. Analysis of the impact on small business:

Provide local area and small businesses with a positive economic impact and allow for a strong business environment

e. Comparison of the costs and benefits of the proposed rule to the probable costs and benefits of not adopting the rule:

Without allowing state-authorized incentives, the opportunity for these plants would be non-existent and potential plants would locate in other states.

f. Determination as to whether less costly or less intrusive methods exist to achieve the purpose of the rule

No, because program is competitive with other state programs and payment will not be made until products have been produced.

g. Description of reasonable alternative methods and reasons for rejection of the alternative methods:

Reasonable alternative methods would be to mandate use of these products within the state, but out-of-state markets already exist. Other alternative methods would include additional economic incentives to plants that use 100% of feedstocks that derive from within the State of Mississippi. Rejection of this alternative is due to the lack of consistent availability of locally-produced feedstocks throughout the year.

h. Data and methodology in making the estimates in the economic impact statement:

Similar incentive programs exist in numerous states. Mississippi's program was modeled after the State of Minnesota's program, and , after a number of years, research indicates tremendous benefits to local rural economies in which these plants are located.

Date Rule Proposed: 3/1/06

Proposed Effective Date of Rule: 4/27/06

Signature and Title of Person Submitting Rule for Filing