INTRODUCED

April 6, 2021

**S. 698**

Introduced by Senators Peeler, Climer, Hutto, Williams, Talley, Leatherman, K. Johnson, Sabb, McElveen, Setzler, Alexander, Goldfinch, Gambrell, Grooms, Cromer, Shealy, Davis, Young, Rice, Stephens and Campsen

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Read the first time April 6, 2021.

**A** **JOINT RESOLUTION**

TO AUTHORIZE THE USE OF CERTAIN FUNDS FROM THE WAREHOUSE RECEIPTS GUARANTY FUND TO PAY CERTAIN COTTON PRODUCER CLAIMS, TO PROVIDE THAT THE COTTON PRODUCER SHALL SUBROGATE HIS INTEREST IN A CAUSE OF ACTION, AND TO PROVIDE FOR THE RETURN OF CERTAIN FUNDS TO THE WAREHOUSE RECEIPTS GUARANTY FUND.

Be it resolved by the General Assembly of the State of South Carolina:

SECTION 1. (A) For the purposes of this joint resolution:

(1) “Debtor” means the gin located in Clarendon County with a date of loss, as set by the department, of March 17, 2021.

(2) “Department” means the Department of Agriculture.

(3) “Loss” means any monetary loss of a debtor over and beyond the amount protected by the debtor’s bond and over and beyond the amount, if any, previously received for the monetary loss from the South Carolina Grain Producers Guaranty Fund or the Warehouse Receipts Guaranty Fund as a result of doing business with the debtor.

(B) The funds in the Warehouse Receipts Guaranty Fund derived from all interest and investment revenue must be used to pay cotton producer claims for loss until the balance is depleted to three million dollars or all cotton producer loss claims are paid in full, whichever occurs first.

(C)(1) A cotton producer claim must be filed within ninety days of the effective date of this resolution. Failure to file a timely claim shall bar a cotton producer from recovering pursuant to this resolution.

(2) Cotton producer claims for loss must be paid in the order in which they are verified and approved by the department.

(3) If the interest and investment portion of the Warehouse Receipts Guaranty Fund is insufficient to cover all cotton producer claims, payments must be made on a pro rata basis up to one hundred percent of the total loss of each cotton producer claim.

(4) If a cotton producer receives payment for more than one hundred percent of a total loss at any time he shall return the excess to the Warehouse Receipts Guaranty Fund.

(D) The cotton producer shall subrogate any interest in a cause of action against all parties related to the claim to the department upon approval of a claim but before payment is made to the cotton producer. An independent law firm may be hired and paid by the Warehouse Receipts Guaranty Fund for the purpose of collecting losses by the department. Any income, interest, or funds otherwise derived from the department’s action against parties relating to the claims must be reinvested into the Warehouse Receipts Guaranty Fund.

SECTION 2. This joint resolution takes effect upon approval by the Governor.

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