

For: Tobacco State and County Offices

Tobacco Transition Payment Program (TTPP) Contract Transfers

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

On April 4, 2005, regulations were published at 7 CFR Part 1463.112 to allow transfers to successors-in-interest for the purpose of obtaining a lump-sum payment. This regulation provided that the lump-sum payment must equal or be greater than the maximum discount rate (MDR) established by CCC each month. This rule provided exemptions to MDR.

CCC-962's will be processed nationally either by on-line submission or paper submission to the National Tobacco Processing Center.

CCC-971's must be filed in the local County Office where CCC-955 or CCC-956 was approved.

B Purpose

This notice provides provisions about contract transfers exempt from MDR.

2 Transfer Provisions

A MDR Exemptions

MDR exemptions are limited to the following:

- a family member
- because of death
- permanent quota assignment.
- dissolved entity.

Disposal Date	Distribution
July 1, 2007	Tobacco State Offices; State Offices relay to applicable County Offices

2 Transfer Provisions (Continued)

B Family Member Transfers

If the transfer of the contract is to a family member of the contract holder (CCC-955 or CCC-956), then CCC will issue CCC-955 or CCC-956, as applicable, to the new contract holders identified by the original contract holder on CCC-971 (Exhibit 1).

Family member means a parent, grandparent or other direct lineal ancestor, child or other direct lineal descendent, spouse, or sibling of a tobacco quota holder or tobacco producer.

C Because of Death

If the transfer of the contract is because of death of the contract holder (CCC-955 or CCC-956), CCC, upon presentation of a copy of a death certificate, will issue a CCC-955 or CCC-956, as applicable, to the:

- surviving spouse without regard to any will or other document prepared by the contract holder
- new contract holders identified on CCC-971 by a person allowed under State law to distribute the assets of the deceased contract holder and attest that there is no surviving spouse.

Note: Evidence of such authority includes documents such as a copy of a court order identifying the person to act on behalf of the estate, and a statement from the county attorney for the county in which the deceased person resided that the person submitting this CCC-971 may act on behalf of the estate.

D Permanent Quota Assignment

A party who had purchased a tobacco marketing quota before October 22, 2004, and had placed the quota on a farm with the owner's consent before October 22, 2004, according to 7 CFR Part 723.216.

E Dissolved Entity

If the transfer of the contract is because of the dissolution of the entity, CCC will issue a CCC-955 or CCC-956, as applicable, to each member based upon ownership interest of such member in the entity as of the date of dissolution. Such contracts will not be issued until CCC has determined the ownership interests in the dissolved entity as of the date of dissolution.

Notice TB-1209

3 Action

A County Office Action

County Offices shall:

- accept transfer requests submitted on CCC-971 with supporting documentation as applicable
- process and approve through “Contract Maintenance” when software is made available.

Note: A forthcoming TB notice will provide processing instructions.

B State Office Action

State Offices shall ensure that County Offices follow the provisions of this notice

CCC-971, Transfer of Tobacco Transition Payment Program Contracts Exempt from Maximum Discount Rate (Continued)

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PART C - AGREEMENT	
<p>13. GENERAL. This form, the Transfer of Tobacco Transition Payment Program Contracts (Form CCC-971) (hereafter referred to as Form CCC-971), is entered into by the Commodity Credit Corporation (CCC) in order that a person who is the signatory to a Tobacco Transition Payment Program (TTPP) contract (Existing Contract Holder) may transfer the contract to one or more persons. The following types of contracts may be transferred: (i) Tobacco Transition Payment Program Quota Holder Contract (Form CCC-955); and (ii) Tobacco Transition Payment Program Producer Contracts (Form CCC-956) (hereafter referred to as Forms CCC-955; and CCC-956 respectively). In approving this contract, CCC provides no warranties or representations with respect to the Existing Contract Holder.</p>	
<p>14. TRANSFER OF CCC-955 AND CCC-956 CONTRACTS. This contract may be used to transfer payments that are payable under a Form CCC-955 or CCC-956. The transfer of existing contract will result in the issuance of a new contract to one or more persons identified in Part B (New Contract Holders) and such transfer is exempt from the provisions of 7 CFR Part 1463.112 relating to the minimum amount of consideration that must be paid to the original contract holder of such contract. The resulting contracts will be issued to the: (i) Existing Contract Holder, and (ii) to a New Contract Holders as a Form CCC-955 or CCC-956.</p>	
<p>15. TRANSFER OF CONTRACT DUE TO DEATH. If the transfer of the contract identified in Item 1 is due to the death of the person identified in Item 2, CCC, upon presentation of a copy of a death certificate, will: (i) issue a Form CCC-955 or CCC-956, as applicable, to the surviving spouse without regard to any will or other document prepared by the person identified in Item 2; and (ii) issue a Form CCC-955 or CCC-956, as applicable, to the New Contract Holders identified in Part B if a person allowed under State law to distribute the assets of the person identified in Item 2 attests that there is no surviving spouse. Evidence of such authority includes documents such as: (i) a copy of a court order identifying the person to act on behalf of the estate; and (ii) a statement from the county attorney for the county in which the person identified in Item 2 resided that the person submitting this contract may act on behalf of the estate.</p>	
<p>16. TRANSFER OF CONTRACT TO FAMILY MEMBERS. If the transfer of the contract identified in Item 1 is to a family member of the person identified in Item 2, CCC will issue a Form CCC-955 or CCC-956, as applicable, to the New Contract Holders identified in Part B. Family member means a parent; grandparent or other direct lineal ancestor; child or other direct lineal descendent; spouse; or sibling of a tobacco quota holder or tobacco producer.</p>	
<p>17. TRANSFER OF CONTRACT TO OWNER OF PERMANENT MARKETING QUOTA ASSIGNED TO EXISTING CONTRACT HOLDER'S PROPERTY. If the transfer of the contract identified in Item 1 is to a party who had purchased a tobacco marketing quota prior to October 22, 2004 and had placed the quota on a farm with the owner's consent prior to that date, CCC will issue a Form CCC-955 or CCC-956, as applicable, to the New Contract Holder identified in Part B.</p>	
<p>18. TRANSFER OF CONTRACT DUE TO DISSOLVED ENTITY. If the transfer of the contract is due to the dissolution of the entity identified in Items 2 and 3, CCC will issue a Form CCC-955 or CCC-956, as applicable, to the New Contract Holders identified in Part B. The amount of each contract issued to a New Contract Holder will be based upon the ownership interest of such person in the entity that was dissolved as of the date of dissolution. Such contracts will not be issued until CCC has determined the ownership interests in the dissolved entity as of the date of dissolution.</p>	
19A. Signature of Existing Contract Holder	19B. Date (MM-DD-YYYY)
<i>/s/ William E. James</i>	10/17/2005
PART D - CCC USE ONLY	
20. Check One:	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Disapproved
21A. Signature of CCC Representative	21B. Date (MM-DD-YYYY)
<i>/s/ Mary R. Smith</i>	10/17/2005
<p>22. Remarks Quota purchased by Rhonda McQueen December 1995 and assigned to William James' farm with owner's consent.</p>	