

ENGROSSED HOUSE AMENDMENTS
TO
ENGROSSED SENATE BILL NO. 627

By: Hobson of the Senate
and
Benson of the House

An Act relating to agriculture and public finance;
amending 2 O.S. 1991, Section 1767, as amended by
Section 1, Chapter 86, O.S.L. 1993 (2 O.S. Supp.
1994, Section 1767), which relates to agricultural
linked deposit program; restricting number of
renewals; adding criteria for allowance of
renewals; amending 62 O.S. 1991, Section 88.5,
Section 14, Chapter 277, O.S.L. 1994, as amended by
Section 25, Chapter 382, O.S.L. 1994 and 62 O.S.
1991, Section 89.7, as amended by Section 3,
Chapter 227, O.S.L. 1994 (62 O.S. Supp. 1994,
Sections 88.1B and 89.7), which relate to small
business linked deposit programs and reports by the
State Treasurer; restricting number of renewals;
adding criteria for allowance of renewals;
modifying amount that State Treasurer may invest in
linked deposit programs; modifying time by which
certain reports must be made; providing an
effective date; and declaring an emergency.

AMENDMENT NO. 1. Page 1, line 19 1/2, insert a new Section 1 to
read

"SECTION 1. AMENDATORY 2 O.S. 1991, Section 1766, as amended by Section 15, Chapter 277, O.S.L. 1994 (2 O.S. Supp. 1994, Section 1766), is amended to read as follows:

Section 1766. A. The State Treasurer is hereby authorized to disseminate information and to provide agricultural linked deposit loan packages to the lending institutions eligible for participation in ~~this act~~ the Oklahoma Agricultural Linked Deposit Program.

B. The agricultural linked deposit loan package shall be completed by the borrower before being forwarded to the lending institution for consideration. Any technical assistance in completing the agricultural loan package shall be provided by the Department of Agriculture.

C. 1. An eligible lending institution that desires to receive an agricultural linked deposit shall accept and review applications for loans from eligible agricultural businesses. The lending institution shall apply all usual lending standards to determine the credit worthiness of each eligible agricultural business. No single linked deposit for an alternative agricultural product shall exceed One Million Dollars (\$1,000,000.00). No single linked deposit for an at-risk farm or ranch operation shall exceed Three Hundred Fifty Thousand Dollars (\$350,000.00).

2. Only one linked deposit loan shall be made and be outstanding at any one time to any farmer. However, the linked deposit loan may be refinanced.

3. No loan shall be made to any officer or director of the lending institution making the loan.

D. An eligible agricultural business shall certify on its loan application that the reduced rate loan will be used exclusively for the purposes outlined in paragraph 1 of Section 1762 of this title.

E. In considering which eligible agricultural businesses to include in the agricultural linked deposit loan package for reduced

rate loans, the eligible lending institution shall give priority to the economic needs of the area in which the business is located and other factors it considers appropriate to determine the relative financial need of the business.

F. 1. The eligible lending institution shall forward to the State Treasurer, an agricultural linked deposit loan package, in the form and manner prescribed and approved by the State Treasurer. The package shall include information regarding the amount of the loan requested by each eligible agricultural business and such other information regarding each business the State Treasurer and the State Board of Agriculture requires. The institution shall certify that each applicant is an eligible agricultural business, and shall, for each business, certify the present borrowing rate applicable to each specific eligible agricultural business.

2. The institution and applicant shall certify that each applicant is an eligible agricultural business, that the values used to calculate the ratios of debt to assets have not been changed or manipulated in order to qualify the applicant for the program.

3. Whoever knowingly makes a false statement concerning a linked deposit loan application shall be prohibited from participating in the linked deposit loan program.

G. Upon receipt of a completed agricultural linked deposit loan package, the State Treasurer may review or audit the information contained in the completed agricultural linked deposit loan package, including, but not limited to, a review or audit of the values used to calculate the ratios of debts to assets as provided by the applicant and the institution. The State Treasurer shall forward the completed agricultural linked deposit loan package to the Board. The Board shall review the agricultural linked deposit loan package to determine if said package qualifies under this act. The Board shall make a recommendation concerning the package within ten (10) business days. The Board shall return the package to the State

Treasurer with a written recommendation of approval or rejection.
If the Board recommends rejection, the written recommendation shall include reasons for said rejection. The Board shall forward a copy of its rejection notice to the lending institution and the borrower. The State Treasurer shall keep a chronological list of applications forwarded by the Board for approval or rejection."

and renumber subsequent sections

and page 1, in the title, lines 7 1/2 through 9, delete all language after the number "1991," through the word "program;" and insert

"Sections 1766, as amended by Section 15, Chapter 277, O.S.L. 1994 and 1767, as amended by Section 1, Chapter 86, O.S.L. 1993 (2 O.S. Supp. 1994, Sections 1766 and 1767), which relate to agricultural linked deposit program; requiring certain certifications; providing prohibition; authorizing State Treasurer to review or audit certain information;"

AMENDMENT NO. 2. Page 10, line 23 1/2, insert a new Section 5 to read

"SECTION 5. REPEALER Section 23, Chapter 249, O.S.L. 1994, is hereby repealed."

and renumber subsequent sections

and page 1, in the title, line 15 1/2, after the semicolon insert

"repealing Section 23, Chapter 249, O.S.L. 1994, which relates to certain expenditures of the Office of the State Treasurer;"

Passed the House of Representatives the 3rd day of April, 1995.

Speaker of the House of
Representatives

Passed the Senate the ____ day of _____, 1995.

President of the Senate