STATE OF OKLAHOMA

1st Session of the 45th Legislature (1995)

HOUSE BILL NO. 1408 By: Benson

AS INTRODUCED

An Act relating to public finance; amending Section 13, Chapter 277, O.S.L. 1994, as amended by Section 24, Chapter 382, O.S.L. 1994 and Section 14, Chapter 277, O.S.L. 1994, as amended by Section 25, Chapter 382, O.S.L. 1994 (62 O.S. Supp. 1994, Sections 88.1A and 88.1B), which relate to linked deposit programs; modifying restriction upon renewal of linked deposit loans or investments; requiring dissemination of information by the State Treasurer; providing for renewal of loans or deposits within certain period based upon determination by State Treasurer; specifying requirements of determination; modifying basis upon which renewals to be made on or after certain date; requiring priority for processing of certain applications; imposing duty with respect to renewals as required by other provisions of law; modifying percentage of state funds permitted for use in linked deposit programs; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY Section 13, Chapter 277, O.S.L. 1994, as amended by Section 24, Chapter 382, O.S.L. 1994 (62 O.S. Supp. 1994, Section 88.1A), is amended to read as follows:

Section 88.1A A. 1. ~~Beginning July 1, 1994, through~~ For the remainder of the fiscal year ending June 30, 1995, the State Treasurer ~~shall not~~ may make ~~any~~ new linked deposits or investments ~~nor any~~ or renewal linked deposits or investments pursuant to the Oklahoma Small Business Linked Deposit Program ~~or~~ and the Oklahoma Agricultural Linked Deposit Program as provided by subsection B of this section. Provided, any ~~such~~ deposits or investments made prior to ~~the effective date of this act~~ September 1, 1994, shall remain effective pursuant to the terms of the agreements entered into for such deposits or investments by the State Treasurer and the lending institutions. ~~No new applications for loans or renewal of loans under this Program shall be accepted or processed by participating lending institutions during this period.~~ The State Treasurer shall disseminate information to lending institutions regarding the suspension of the ~~Program~~ linked deposit programs to the extent required by the provisions of Sections 24 and 25, Chapter 382, O.S.L. 1994. To the extent that the modifications contained in this act require notification to lending institutions about the renewed availability of the Oklahoma Small Business Linked Deposit Program and the Oklahoma Agricultural Linked Deposit Program, the State Treasurer shall disseminate information to the institutions.

2. ~~Except as provided in subsection B of this section~~ For the period of September 1, 1994, through the effective date of this act, the State Treasurer may renew linked deposits or investments pursuant to the Oklahoma Small Business Linked Deposit Program or the Oklahoma Agricultural Linked Deposit Program after determination by the Treasurer that:

a. sufficient revenues will be or already have been deposited into the General Revenue Fund of the State Treasury to meet any certification change by the State Board of Equalization which results from the enactment of ~~this section and Section 25 of this act~~ Section 24, Chapter 382, O.S.L. 1994, prior to the modifications made by this act, and Section 25, Chapter 382, O.S.L. 1994, prior to the modifications made by this act, and

b. the conditions of Section ~~25~~ 88.1B of this ~~act~~ title have been met.

~~B. Beginning July 1, 1995, the Oklahoma Small Business Linked Deposit Program shall be terminated by the State Treasurer contingent upon enactment by the Legislature of legislation which creates an alternative loan program for rural small businesses to replace such Program.~~

3. On and after the effective date of this act, the State Treasurer shall renew linked deposits or investments pursuant to the Oklahoma Small Business Linked Deposit Program and the Oklahoma Agricultural Linked Deposit Program as provided by subsection B of this section.

B. The State Treasurer shall give priority to the processing of any application for renewal of a linked deposit loan or investment which was denied in whole or in part as a result of the enactment of Sections 24 or 25, Chapter 382, O.S.L. 1994, and shall permit renewal of those loans or investments to the extent authorized by the limitation upon the total amount of investable funds which may be used in both the Oklahoma Small Business Linked Deposit Program and the Oklahoma Agricultural Linked Deposit Program. Applications for renewal of loans or deposits as described by this subsection filed with the State Treasurer within sixty (60) days after the effective date of this act shall be processed within sixty (60) days following the last date upon which an application is timely filed.

C. After consideration has been given to the applications described by subsection B of this section and those applications have been acted upon, the State Treasurer shall administer the Oklahoma Small Business Linked Deposit Program and the Oklahoma Agricultural Linked Deposit Program consistent with the applicable limit on the percentage of state funds which may be used in both Programs and any requirement prescribed by the State Treasurer for administration of the Programs to the extent consistent with the provisions of this act.

SECTION 2. AMENDATORY Section 14, Chapter 277, O.S.L. 1994, as amended by Section 25, Chapter 382, O.S.L. 1994 (62 O.S. Supp. 1994, Section 88.1B), is amended to read as follows:

Section 88.1B A. The amount that the State Treasurer may invest in all linked deposit programs authorized by law shall not exceed a total of ~~fifteen~~:

1. Seventeen percent (17%) of all monies available to the State Treasurer for investment for the fiscal year ending June 30, 1995;

2. Sixteen percent (16%) of all monies available to the State Treasurer for investment for the fiscal year ending June 30, 1996; and

3. Fifteen percent (15%) of all monies available to the State Treasurer for investment for the fiscal year ending June 30, 1997, and for each fiscal year thereafter.

B. The State Treasurer shall on a quarterly basis review the percentage of total investable state funds invested in all linked deposit programs created by law to determine compliance with subsection A of this section.

C. If the State Treasurer determines that more than ~~fifteen percent (15%)~~ the authorized percentage of the total investable state funds are invested in all linked deposit programs created by law, the State Treasurer shall suspend any renewal or any initiation of new linked deposit program investments until such time that the

State Treasurer determines the investment percentage limitation established by this section has been met ~~and except as provided by Section 24 of this act~~.

SECTION 3. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

45-1-5159 MAH