

ENROLLED HOUSE
BILL NO. 1251

By: Glover, Ferguson, Reese,
Adair, Bonny, Matlock,
Beutler, Langmacher,
Ramsey, McCarter,
Deutschendorf, Braddock,
Covey and Turner of the
House

and

Kerr of the Senate

An Act relating to agriculture; amending 2 O.S. 1991, Sections 1761 and 1762, which relate to the Oklahoma Agricultural Linked Deposit Program; clarifying and updating language; adding specific intent of the Legislature; modifying and adding definitions; providing an effective date; and declaring an emergency.

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

SECTION 1. AMENDATORY 2 O.S. 1991, Section 1761, is amended to read as follows:

Section 1761. ~~This act~~ A. Sections 1761 through 1769 of this title shall be known and may be cited as the "Oklahoma Agricultural Linked Deposit Program".

B. It is the purpose of this act that the funding provided Oklahoma Agricultural Linked Deposit Program to provide funding for eligible agricultural businesses. It is the specific intent of the Legislature that any funding provided to eligible agricultural businesses for alternative agricultural products shall diversify Oklahoma's agricultural industry and so as to broaden Oklahoma's economic base.

SECTION 2. AMENDATORY 2 O.S. 1991, Section 1762, is amended to read as follows:

Section 1762. As used in the Oklahoma Agricultural Linked Deposit Program:

1. "Eligible agricultural business" means any ~~person~~ individual, partnership, co-operative, domestic limited liability company, or agricultural domestic corporation engaged in producing, processing or marketing alternative agricultural products or an at-risk farm or ranch business, within the State of Oklahoma in operation which has developed a management plan through the Intensive Financial Management and Planning Support (IFMAPS) program of the Cooperative Extension Service of Oklahoma State University or the Farm Business Management Program of the State Department of Vocational and Technical Education;

2. "Eligible lending institution" means a financial institution that agrees to participate in the Oklahoma Agricultural Linked Deposit Program, and:

a. eligible to be a depository of state funds, or

b. is an institution of the farm credit system organized under the federal "Farm Credit Act of 1971", 12 U.S.C. 2001, as amended;

3. "Agricultural domestic corporation" means any domestic corporation formed or licensed pursuant to the Oklahoma General Corporation Act or a limited domestic liability company formed or licensed pursuant to the Oklahoma Limited Liability Company Act and meeting the requirements of paragraph 5 of subsection A of Section 955 of Title 18 of the Oklahoma Statutes and meeting the requirements of subsection A of Section 951 of Title 18 of the Oklahoma Statutes;

4. "Agricultural linked deposit" means a certificate of deposit placed by the State Treasurer with an eligible lending institution or an investment in bonds, notes, debentures, or other obligations or securities issued by the federal farm credit bank with regard to an eligible lending institution for the purpose of carrying out the intent of this act;

~~4.~~ 5. "Alternative agricultural products" means those products included in a report submitted by the Cooperative Extension Service of Oklahoma State University to the State Department of Agriculture, and any other products which the State Board of Agriculture determines will diversify Oklahoma's agricultural industry so as to broaden Oklahoma's agricultural economic base;

~~5.~~ 6. "An at-risk farm or ranch business" shall be one which seeks a production loan and meets the following criteria:

- a. at least sixty percent (60%) of gross income derived from farming and/or ranching, and
- b. a debt-to-asset ratio over forty percent (40%);

~~6.~~ 7. "Agricultural Linked Deposit Loan Package" means the forms provided by the State Treasurer for the purpose of applying for an agricultural linked deposit;

~~7.~~ 8. "Board" means the State Board of Agriculture; and

~~8.~~ 9. "Department" means the State Board of Agriculture or the State Department of Agriculture.

SECTION 3. This act shall become effective July 1, 1997.

SECTION 4. 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.

Passed the House of Representatives the 29th day of May, 1997.

Speaker of the House of
Representatives

Passed the Senate the 29th day of May, 1997.

President of the Senate