

STATE OF OKLAHOMA

2nd Session of the 47th Legislature (2000)

HOUSE BILL NO. 1894____

By: Pope (Clay)

AS INTRODUCED

An Act relating to agriculture; amending 2 O.S. 1991, Section 9-45, as amended by Section 20, Chapter 10, O.S.L. 1997 (2 O.S. Supp. 1999, Section 9-45), which relates to the Commodity Storage Indemnity Fund; reducing maximum level maintained; and declaring an emergency.

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

SECTION 1. AMENDATORY 2 O.S. 1991, Section 9-45, as amended by Section 20, Chapter 10, O.S.L. 1997 (2 O.S. Supp. 1999, Section 9-45), is amended to read as follows:

Section 9-45. A. The State Department of Agriculture shall administer the Commodity Storage Indemnity Fund. The Indemnity shall be established for the benefit of producers who have delivered commodities to a licensed public warehouse for storage as provided in the Public Warehouse and Commodity Indemnity Act. The Indemnity shall compensate producers for losses to their commodity while it is in the control of a chartered or licensed public warehouse, except losses covered by insurance as provided in Section 9-26 of this title.

B. When the Indemnity reaches ~~Ten Million Dollars~~ ~~(\$10,000,000.00)~~ Six Million Dollars (\$6,000,000.00), the two-mill assessment as provided in the Public Warehouse and Commodity Indemnity Act shall cease, unless the ~~Ten Million Dollars~~ ~~(\$10,000,000.00)~~ Six Million Dollars (\$6,000,000.00) is attained prior to the end of a harvest season, at which time the assessment shall continue until the end of that harvest season. If the balance

of the Indemnity thereafter becomes less than ~~Ten Million Dollars~~
~~(\$10,000,000.00)~~ Six Million Dollars (\$6,000,000.00), the two-mill
assessment shall be reinstated on an annual basis as necessary to
attain a balance of ~~Ten Million Dollars (\$10,000,000.00)~~ Six Million
Dollars (\$6,000,000.00) in the Indemnity. The Department shall have
authority to invest the assessments. All proceeds of the investment
shall be placed in the Indemnity. Two percent (2%) of the income
for each year shall be paid to the Department for the conducting of
warehouse examinations necessary for the protection of the
Indemnity.

C. When a loss is incurred upon the commodity of a producer,
which has been delivered to a warehouseman, or after receipt of the
notice pursuant to Section 9-24 of this title, the producer shall
present ~~his~~ any claim of such producer to the Department. To verify
the claim, the producer shall present a receipt or any additional
evidence or both such receipt and evidence of loss that the
Department might deem necessary. All producer claim payments shall
be made by the Department from the Indemnity as soon as practicable
and not later than one (1) year following the date of claim. The
price per bushel of commodity shall be established on the day of the
loss and shall be for the full market value on that day. If there
is an insufficient amount of cash in the Indemnity to cover all
claims for a certain year, payments shall be made on a pro rata
basis up to one hundred percent (100%) of the total loss of each
producer. If payment is not received in the amount of one hundred
percent (100%) of total loss for a certain year, then such
additional amounts shall be paid as funds become available in
succeeding years until repayment of one hundred percent (100%) of
total loss is attained. If, at any time, a producer receives
payment totaling more than one hundred percent (100%) of total loss,
such excess payment shall immediately be returned to the Indemnity.
Upon final payment of a claim to a producer from the Indemnity, the

producer shall subrogate ~~his~~ any interest, ~~if any,~~ of the producer to the Department in a cause of action against any and all parties, to the amount of the loss that the producer was reimbursed by the Indemnity.

D. The producer shall, within one hundred twenty (120) days of the order of the Board establishing the date of loss, present the claim of the producer to the Board. If such claim of loss is not presented within the time and in the manner required by this section, the claim shall be forever barred and said producer shall forfeit all rights to remuneration or payment as provided in the Public Warehouse and Commodity Indemnity Act.

E. If at any time state funds are appropriated to the Indemnity for the purposes specified by this section, the Board shall establish the rules and procedures necessary to ensure that the State General Revenue Fund shall be reimbursed, from the assessments, in an amount equal to the total appropriation made to the Indemnity. The reimbursement shall be made in a timely manner, provided the intents and purposes of this section to compensate producers for their losses as specified in this section shall not be adversely affected.

SECTION 2. 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.

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