

STATE OF OKLAHOMA

2nd Session of the 50th Legislature (2006)

HOUSE BILL 2543

By: Hyman

AS INTRODUCED

An Act relating to agriculture; establishing the Rural Oklahoma Products Excellence Program Act; creating the Rural Oklahoma Products Excellence Program; specifying scope of Program; requiring funding for the Oklahoma Agricultural Leadership Program; creating the Rural Oklahoma Excellence Products Coordinating Board; specifying membership and duties of Board; initiating business incentives and tax credits; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5-90.1 of Title 2, unless there is created a duplication in numbering, reads as follows:

Sections 1 through 5 of this act shall be known and may be cited as the "Rural Oklahoma Products Excellence Program Act".

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5-90.2 of Title 2, unless there is created a duplication in numbering, reads as follows:

There is hereby created the Rural Oklahoma Products Excellence Program. The purpose of the Program shall be to provide for:

1. The economic revitalization of rural Oklahoma; and
2. A focus on human capital and resources, agribusiness and agricultural products, rural marketing, and infrastructure.

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5-90.3 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. The Rural Oklahoma Products Excellence Program shall create, within the Oklahoma Cooperative Extension Service, a Rural Community

Leadership Business Training Program to specialize in training rural leaders for business recruitment, retention of existing business, and marketing of community resources.

B. The Rural Oklahoma Products Excellence Program shall establish a cooperative effort between the Oklahoma Department of Commerce and the Cooperative Extension Service to target those rural counties, not having a city with a population of more than twenty-five thousand (25,000) for leadership capacity development.

C. The Oklahoma Department of Commerce shall cooperate with the Cooperative Extension Service to inventory and maintain a data base of all resources available for production, manufacturing, marketing, and infrastructure in counties not having a city with a population of more than twenty-five thousand (25,000). Data shall be accessed through local county offices of the Cooperative Extension Service.

D. Within the Department of Agriculture, Food, and Forestry there shall be permanent funding for contracting with the Department of Agricultural Sciences and Natural Resources at Oklahoma State University for the Oklahoma Agricultural Leadership Program.

E. The Oklahoma Cooperative Extension Service shall maintain a rural economic and leadership development specialist in the district offices to serve as a resource and provide leadership capacity development continuing education.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5-90.4 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. There is hereby created the Rural Oklahoma Excellence Products Coordinating Board. The membership of the Board shall be as follows:

1. The Commissioner of Agriculture;
2. The Chairman of the Commissioners of the Land Office;
3. The Director of the Oklahoma Department of Commerce;

4. The Director of the Oklahoma Cooperative Extension Service or the designee of the Oklahoma Cooperative Extension Service;

5. A representative from the Oklahoma Farm Bureau, as designated by the Oklahoma Farm Bureau; and

6. A representative from the Oklahoma Farmers Union as designated by the Oklahoma Farmers Union.

B. The Board shall coordinate all activities of the respective governmental agencies to ensure that each agency is facilitating and providing the technology and resources authorized under the Rural Oklahoma Products Excellence Program Act. The Board shall coordinate a systematic approach to economic revitalization of rural Oklahoma.

C. The Board shall report once a year to the Senate and House of Representatives committees with jurisdiction over agriculture.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 5-90.5 of Title 2, unless there is created a duplication in numbering, reads as follows:

A. The Agriculture Enhancement Program shall create a loan category for equipment and facilities purchased to expand agribusiness businesses and processors of agricultural products.

B. The Department of Agriculture, Food, and Forestry shall administer a declining five-year nontransferable tax credit of ten percent (10%) to expanding agricultural product businesses for adding a minimum of five permanent employees. The business must have been in operation for a minimum of five (5) years, must process and add value to Oklahoma-produced agricultural commodities, and have a business expansion plan developed and approved by the Cooperative Extension Rural Development Specialist in order to qualify for the tax credit.

C. The Commissioners of the Land Office shall create a rural capitalization fund. The Commissioners shall dedicate one percent (1%) of funds invested by the Commissioners to be accessible for low

interest loans to rural Oklahoma companies engaged in the processing and marketing of Oklahoma-produced agricultural products to expand equipment purchases, facility acquisitions, and market development, provided that business plans are certified by the Cooperative Extension Rural Development Specialist and the School Land Commission.

D. The Department of Agriculture, Food, and Forestry and the Oklahoma Department of Commerce shall establish and administer the Agriculture Marketing Globalization Program. There shall be a ten-percent (10%) nontransferable tax credit for rural companies that develop a marketing plan and system of providing value-added agricultural products to out-of-state and international markets. Businesses must meet the following criteria in order to qualify:

1. Have been in the production or processing of Oklahoma agricultural products for at least ten (10) years;
2. Employ at least fifteen full-time employees; and
3. Be located in a rural section of Oklahoma as determined by the Department of Agriculture, Food, and Forestry and the Oklahoma Department of Commerce.

SECTION 6. This act shall become effective November 1, 2006.

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