

1 ENGROSSED HOUSE
2 BILL NO. 1057

By: Glenn and Hoskin of the
House

3 and

4 Wyrick of the Senate
5

6
7 An Act relating to agriculture; amending 2 O.S. 2001,
8 Section 9-132, which relates to livestock auctions;
9 increasing required amount for certain corporate
surety bond or account; providing for designation of
trustee; and providing an effective date.

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

13 SECTION 1. AMENDATORY 2 O.S. 2001, Section 9-132, is
14 amended to read as follows:

15 Section 9-132. A. Except as provided by subsection C of this
16 section, no person shall operate, conduct, or maintain a livestock
17 auction market unless the person holds a livestock auction market
18 license issued by the State Board of Agriculture and has:

19 1. Executed a corporate surety bond pursuant to the provisions
20 of this section. The bond shall be conditioned upon the prompt and
21 faithful accounting for all livestock received, handled, or sold,
22 and the remittance of the proceeds from any sale, purchase, or
23 exchange of any livestock to the consignor;

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1 2. Opened a certificate of deposit account or a money market
2 savings account. For a certificate of deposit account or a money
3 market savings account to be eligible pursuant to the provisions of
4 this section:

5 a. the account shall be opened at a federally insured
6 financial depository,

7 b. an officer of the financial depository shall
8 specifically acknowledge and guarantee the deposit of
9 the funds required by subsection B of this section
10 until otherwise released pursuant to this subsection,

11 c. the person operating, conducting, or maintaining a
12 livestock auction market may only withdraw funds
13 deposited in a certificate of deposit account or a
14 money market savings account sixty (60) days after
15 the person has permanently ceased operations of the
16 livestock auction market unless the person presents to
17 the financial institution a written authorization for
18 release of funds by the ~~State~~ Oklahoma Department of
19 Agriculture, Food, and Forestry; or

20 3. Provided other financial instruments allowable for livestock
21 markets by the Federal Packers and Stockyards Act of 1921, as
22 amended.

23 B. 1. The corporate surety bond or account required by
24 subsection A of this section for any person operating, conducting,

1 or maintaining a livestock auction market shall be in accordance
2 with the provisions of the Federal Packers and Stockyards Act of
3 1921, as amended, but shall not be less than Twenty-five Thousand
4 Dollars (\$25,000.00) for any person conducting less than twenty-five
5 sales in any license year, or no single sale exceeds gross sales of
6 Twenty-five Thousand Dollars (\$25,000.00).

7 2. For all other sales, the corporate surety bond or account
8 required by subsection A of this section for any person operating,
9 conducting, or maintaining a livestock auction market that does not
10 meet the criteria in paragraph 1 of this subsection shall be in
11 accordance with the provisions of the Federal Packers and Stockyards
12 Act of 1921, as amended, but shall not be less than Fifty Thousand
13 Dollars (\$50,000.00) unless the Department approves a lesser amount
14 pursuant to rules promulgated by the State Board of Agriculture.

15 C. The corporate surety bond or account required by subsection
16 A of this section shall not be required of any person who has
17 executed and maintained a corporate surety bond or account of
18 ~~Twenty five Thousand Dollars (\$25,000.00)~~ pursuant to the provisions
19 of subsection B of this section to secure the performance of
20 obligations under the provisions of the Federal Packers and
21 Stockyards Act of 1921, as amended.

22 D. The Commissioner of Agriculture is authorized to be
23 designated as trustee for any corporate surety bond, certificate of
24 deposit account, money market savings account, or any other

1 financial instruments allowable for livestock markets by the Federal
2 Packers and Stockyards Act of 1921, as amended.

3 E. 1. Any corporate surety company issuing a bond to any
4 person as specified by subsection A or C of this section for
5 operating, conducting, or maintaining a livestock auction market
6 shall notify the Board in writing not less than thirty (30) days
7 prior to the cancellation or nonrenewal of the bond.

8 2. The Board shall provide for the publication of notice to the
9 public of the nonrenewal or cancellation of the bond for a livestock
10 auction market upon any notification that the bond of the livestock
11 auction market has been nonrenewed or canceled and no new bond has
12 been obtained.

13 3. No person shall knowingly operate, conduct, or maintain a
14 livestock auction market without having a bond as specified by this
15 section. Any person convicted of violating the provisions of this
16 paragraph shall be guilty of a felony.

17 ~~E.~~ F. All records relating to the prompt and faithful
18 accounting for all livestock received, handled, or sold and the
19 remittance of the proceeds from any sale, purchase, or exchange of
20 any livestock to the consignor shall be in accordance with the
21 provisions of the Federal Packers and Stockyards Act of 1921, as
22 amended. The Board shall audit such records at least once a year.
23 Any violation of the standards of the Federal Packers and Stockyards
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1 Act may result in the suspension of the livestock auction market
2 license.

3 ~~F.~~ G. Except as provided by this section, any person found to
4 be in violation of the provisions of this section, upon conviction,
5 shall be guilty of a misdemeanor.

6 SECTION 2. This act shall become effective November 1, 2009.

7 Passed the House of Representatives the 3rd day of March, 2009.

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Presiding Officer of the House of
11 Representatives

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12 Passed the Senate the ____ day of _____, 2009.

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Presiding Officer of the Senate

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