

ENROLLED HOUSE
BILL NO. 1057

By: Glenn and Hoskin of the
House

and

Wyrick of the Senate

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

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

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

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

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

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

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

- b. an officer of the financial depository shall specifically acknowledge and guarantee the deposit of the funds required by subsection B of this section until otherwise released pursuant to this subsection,
- c. the person operating, conducting, or maintaining a livestock auction market may only withdraw funds deposited in a certificate of deposit account or a money market savings account sixty (60) days after the person has permanently ceased operations of the livestock auction market unless the person presents to the financial institution a written authorization for release of funds by the State Oklahoma Department of Agriculture, Food, and Forestry; or

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

B. 1. The corporate surety bond or account required by subsection A of this section for any person operating, conducting, or maintaining a livestock auction market shall be in accordance with the provisions of the Federal Packers and Stockyards Act of 1921, as amended, but shall not be less than Twenty-five Thousand Dollars (\$25,000.00) for any person conducting less than twenty-five sales in any license year, or no single sale exceeds gross sales of Twenty-five Thousand Dollars (\$25,000.00).

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

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

D. The Commissioner of Agriculture is authorized to be designated as trustee for any corporate surety bond, certificate of deposit account, money market savings account, or any other financial instruments allowable for livestock markets by the Federal Packers and Stockyards Act of 1921, as amended.

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

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

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

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

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

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

Passed the House of Representatives the 19th day of May, 2009.

Presiding Officer of the House of
Representatives

Passed the Senate the 20th day of May, 2009.

Presiding Officer of the Senate