

THE HOUSE OF REPRESENTATIVES
Thursday, March 19, 2009

ENGROSSED

Senate Bill No. 564

ESB 564

ENGROSSED SENATE BILL NO. 564 - By: WYRICK of the Senate and GLENN of the House.

[agriculture - livestock auction market license - effective date]

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

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

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

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

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

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

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

13 B. The corporate surety bond or account required by subsection A of this section for
14 any person operating, conducting, or maintaining a livestock auction market shall be in
15 accordance with the provisions of the Federal Packers and Stockyards Act of 1921, as
16 amended, but not less than Twenty-five Thousand Dollars (\$25,000.00). The Board may
17 require more than the minimum of Twenty-five Thousand Dollars (\$25,000.00) by
18 promulgating a rule for a higher amount.

19 C. The corporate surety bond or account required by subsection A of this section
20 shall not be required of any person who has executed and maintained a corporate surety
21 bond or account of Twenty-five Thousand Dollars (\$25,000.00) to secure the performance

1 of obligations under the provisions of the Federal Packers and Stockyards Act of 1921, as
2 amended.

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

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

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

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

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

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

1 COMMITTEE REPORT BY: COMMITTEE ON AGRICULTURE AND RURAL
2 DEVELOPMENT, dated 03-18-09 - DO PASS, As Amended.