

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 HOUSE BILL 1057

By: Glenn

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5  
6 AS INTRODUCED

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 corporate surety bond  
10 or account; and providing an effective date.

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

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

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

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

23 2. Opened a certificate of deposit account or a money market  
24 savings account. For a certificate of deposit account or a money

1 market savings account to be eligible pursuant to the provisions of  
2 this section:

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

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

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

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

21 B. The corporate surety bond or account required by subsection  
22 A of this section for any person operating, conducting, or  
23 maintaining a livestock auction market shall be in accordance with  
24 the provisions of the Federal Packers and Stockyards Act of 1921, as

1 amended, but shall not be less than ~~Twenty five Thousand Dollars~~  
2 ~~(\$25,000.00)~~ One Hundred Thousand Dollars (\$100,000.00).

3 C. The corporate surety bond or account required by subsection  
4 A of this section shall not be required of any person who has  
5 executed and maintained a corporate surety bond or account of  
6 ~~Twenty five Thousand Dollars (\$25,000.00)~~ One Hundred Thousand  
7 Dollars (\$100,000.00) to secure the performance of obligations under  
8 the provisions of the Federal Packers and Stockyards Act of 1921, as  
9 amended.

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

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

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

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

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

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

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