

1 STATE OF OKLAHOMA

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

3 SENATE BILL 564

By: Wyrick

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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 auction
9 market license, bond or certificate of deposit;
10 authorizing the State Board of Agriculture to
11 promulgate rules to set certain surety bonds; and
12 providing an effective date.

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

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

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

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

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

1 maintaining a livestock auction market shall be in accordance with
2 the provisions of the Federal Packers and Stockyards Act of 1921, as
3 amended, but not less than Twenty-five Thousand Dollars
4 (\$25,000.00). The Board may require more than the minimum of
5 Twenty-five Thousand Dollars (\$25,000.00) by promulgating a rule for
6 a higher amount.

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

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

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

23 3. No person shall knowingly operate, conduct, or maintain a
24 livestock auction market without having a bond as specified by this

1 section. Any person convicted of violating the provisions of this
2 paragraph shall be guilty of a felony.

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

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

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

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