

BILL SUMMARY
1st Session of the 52nd Legislature

Bill No.: HB 1919
Version: Introduced (5858)
Author: Representative Kouplen
Date: January 26, 2009
Impact: FY-10: \$0

**Future Impact Dependent
Upon Number of Participants
and Amount of Loans**

Bill Summary

Research Analyst: Tricia Dameron

The measure amends the "eligible agricultural business" definition in the Oklahoma Agricultural Linked Deposit Program (created in 1987 to diversify Oklahoma's agricultural industry) to include recent graduates of veterinary school that are establishing a practice where 30% of business consists of services for large animals.

Fiscal Summary

Fiscal Analyst: Terry McKenna

HB 1919, as introduced, relates to the Oklahoma Agricultural Linked Deposit Program which assists participating banks in lowering their interest rates loans for qualifying farms and agricultural-related businesses. A certificate of deposit is made by the Treasurer with the participating bank at an interest rate up to 3% below the current 2 year Treasury rate. This interest savings is passed on to the borrower by the bank. HB 1919 modifies the definition of "eligible agricultural business" to include "any person recently graduated from a veterinary school, who is establishing a veterinary practice in which thirty percent of the practice consists of services for large animals."

Fiscal Analysis

The Office of the State Treasurer advises that current market conditions have postponed any funding in this program. Since certificate of deposits are not invested with the participating bank below 2% and 2 year Treasury rates have been below 2% for several months, no funding has occurred in the program. Current interest rate forecasts don't show rates going above 2% until FY-11 or later; therefore there would be no fiscal impact for FY-10. In order to calculate any future fiscal impact, the agency would have to know how many participants are expected and what loan amount they would be seeking.

Long Term Fiscal Considerations

As Stated Above

Fiscal Analysis Reviewed by:

Mark Tygret

House Fiscal Director

