

1 **SENATE FLOOR VERSION**

2 February 18, 2013

3 **AS AMENDED**

4 SENATE BILL NO. 1011

By: Fields of the Senate

and

DeWitt of the House

8 An Act relating to agriculture; amending 2 O.S. 2011,
9 Sections 3-101, 5-3.2, 14-1, 14-2, 14-4, 14-5 and 14-
10 6, which relate to powers of the State Board of
11 Agriculture, the Oklahoma Agriculture Enhancement and
12 Diversification Program, the board of control and
13 methods of the State Board of Standards, the State
14 Bureau of Standards Seal, and fees and information of
15 the State Bureau of Standards; removing authority of
16 the State Board of Agriculture to establish an Apiary
17 Advisory Committee, clarifying statutory language,
18 modifying director of the State Board of Standards,
19 modifying the duties of the State Board of Standards,
20 modifying duties of the State Board of Agriculture;
21 amending 59 O.S. 2011, Sections 1202, 1210, 1211,
22 1212, 1213, 1214, 1215, 1216, 1218, 1219 and 1220,
23 which relate to definitions, the State Board of
24 Foresters record of proceedings and registry, roster
of registered foresters, qualifications for
application, applications for registration,
examinations, licenses, expiration of licenses,
reciprocity, revocation of licenses, violations, and
penalties; modifying definitions, modifying duties of
the State Board of Registration for registered
foresters, assigns certain duties of the State Board
of Registration for registered foresters with the
Department of Agriculture, modifying record of
proceeding requirements, modifying qualifications for
registration, clarifying statutory language,
eliminating responsibility of the Attorney General as
acting legal advisor to the State Board of
Registration for registered foresters; amending 62
O.S. 2011, Sections 90.2, 90.3, 90.5, 90.6, 90.7 and
90.8, which relate to Rural Economic Development Loan

1 Act, definitions, program, conditions for making
2 loans, funding of loans, administrative costs,
3 certification of compliance, state liability, rules
4 and forms, and the Rural Economic Development
5 Revolving Fund; modifying definitions, modifying
6 duties of the Commissioner of Agriculture, modifying
7 duties of the Department of Agriculture, modifying
8 duties of The Oklahoma Rural Economic Development
9 Loan Program Review Board, modifying powers of the
10 State Banking Department; repealing 2 O.S. 2011,
11 Sections 3-2, 3-35, 5-3.5, 10-9.2, 15-60.1, 15-60.2,
12 15-60.3, as amended by Section 10, Chapter 304,
13 O.S.L. 2012, 15-60.4, 16-13, 8-120, 20-5, 20-43 and
14 1950.11 (2 O.S. Supp. 2012, Section 15-60.3), which
15 relate to establishment of Fire Ant Research and
16 Management Advisory Committee, the Pest Control
17 Compact, creation of the Oklahoma Agriculture
18 Enhancement and Diversification Advisory Board, the
19 Rule advisory committee for rules promulgated
20 pursuant to the Oklahoma Registered Poultry Feeding
21 Operations Act, the Oklahoma County Fair Enhancement
22 Act, the creation of the Forestry cost-share advisory
23 committee, the establishment of the Oklahoma Pecan
24 Marketing Board, the Rule advisory committee for
rules promulgated pursuant to the Oklahoma Swine
Feeding Operations Act, the Rule advisory committee
for rules promulgated pursuant to the Oklahoma
Concentrated Animal Feeding Operations Act, and the
creation of the Oklahoma Biofuels Development
Advisory Committee; repealing 59 O.S. 2011, Sections
1203, as amended by Section 1, Chapter 72 O.S.L.
2012, 1203, as amended by Section 279, Chapter 304,
O.S.L. 2012, 1204, 1206, 1207, 1208 and 1209 (59 O.S.
Supp. 2012, Section 1203), which relate to the
creation of the State Board of Registration for
Foresters; repealing 62 O.S. 2011, Section 90.4,
which relates to the creation of the Rural Economic
Development Loan Program Review Board; and providing
an effective date.

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

1 SECTION 1. AMENDATORY 2 O.S. 2011, Section 3-101, is
2 amended to read as follows:

3 Section 3-101. A. The State Board of Agriculture or its
4 authorized agents shall have the authority to enter any premises or
5 mode of transportation during reasonable hours for the purpose of
6 implementing the Oklahoma Apiary Act or rules promulgated pursuant
7 thereto.

8 B. The Board or its authorized agents shall have the authority
9 to carry out all necessary and proper actions to determine
10 compliance with the Oklahoma Apiary Act including, but not limited
11 to, conducting investigations, opening any bundle, package, or
12 container, examining and making photocopies of records or documents,
13 examining devices, collecting and submitting samples for analysis,
14 issuing any order to destroy infected or infested bees or apiary
15 equipment, and removing or destroying bees, hives or other articles
16 as deemed necessary by the Board.

17 C. The Board is authorized to promulgate rules necessary,
18 expedient, or appropriate for the performance, enforcement, or
19 carrying out of any of the purposes, objectives, or provisions of
20 the Oklahoma Apiary Act, including the establishment of fees. All
21 fees shall be fair and equitable to all parties concerned. Any
22 rules shall be promulgated pursuant to the Administrative Procedures
23 Act.

24 D. The Board shall have the authority to:

1 1. Issue, renew, deny, modify, suspend, cancel, and revoke any
2 registration, permit, certificate, license, identification, or order
3 issued pursuant to the provisions of the Oklahoma Apiary Act;

4 2. Issue certificates of inspection;

5 3. Issue entry permits to any person transporting bees or
6 apiary equipment into this state;

7 4. Investigate complaints and violations of the Oklahoma Apiary
8 Act and rules promulgated pursuant thereto;

9 5. Issue quarantines, initiate control measures, confiscate,
10 and destroy apiaries, bees, colonies, or hives that present a danger
11 to the public safety or welfare; and

12 6. Exercise all incidental powers as necessary and proper to
13 implement and enforce the provisions of the Oklahoma Apiary Act and
14 the rules of the Board promulgated pursuant thereto.

15 ~~E. Pursuant to the general powers contained in Section 2-6 of~~
16 ~~this title, the Board may establish an Apiary Advisory Committee~~
17 ~~composed of interested residents and beekeepers of the state who,~~
18 ~~without compensation, may advise and make recommendations to the~~
19 ~~Department on the administration of the Oklahoma Apiary Act and on~~
20 ~~other apiary matters.~~

21 SECTION 2. AMENDATORY 2 O.S. 2011, Section 5-3.2, is
22 amended to read as follows:

1 Section 5-3.2. A. The State Board of Agriculture is hereby
2 authorized to establish and administer the Oklahoma Agriculture
3 Enhancement and Diversification Program.

4 B. The purpose of the Oklahoma Agriculture Enhancement and
5 Diversification Program is to promote and encourage the interests of
6 agriculture through the allocation of funds, by grant or loan, to
7 individuals, cooperatives and other agricultural entities to provide
8 assistance to projects dealing with the development of new or
9 expanded uses or both new and expanded uses of agricultural
10 products, and to increase productivity, provide added value to
11 agricultural products and benefit the agricultural producer.

12 C. The Program shall consist of the following categories:

13 1. Cooperative marketing grants and loans to be available to
14 entities or individuals wishing to work together to develop or
15 establish production, processing or marketing of agricultural
16 products. The purpose of this category is to provide funding for
17 promoting productivity, providing added value to agricultural
18 products, stimulating and fostering agricultural diversification and
19 encouraging processing innovations;

20 2. Marketing and utilization grants and loans to be used to
21 assist in the development or implementation of sound domestic or
22 foreign marketing plans for Oklahoma agricultural products, by-
23 products, or new and better uses for existing agricultural products
24

1 by the financing of marketing feasibility studies, business plans,
2 and test marketing;

3 3. Farm diversification grants or loans to be used for projects
4 dealing with the diversification of family farms or ranches to
5 nontraditional crops, livestock, or on-farm, value-added processing
6 of agricultural commodities; and

7 4. Basic and applied research grants and loans for business
8 creation or expansion, or research which will likely lead to a
9 marketable product through the focusing of research efforts on uses
10 and processing of Oklahoma agricultural products and by-products,
11 including but not limited to:

- 12 a. focused research which enhances the value of an
- 13 agricultural product or by-product,
- 14 b. feasibility studies,
- 15 c. product development costs, and
- 16 d. projects that are driven by an entrepreneur or the
- 17 industry.

18 D. The State Board of Agriculture, ~~with the advice and~~
19 ~~assistance of the Oklahoma Agriculture Enhancement and~~
20 ~~Diversification Advisory Board created in Section 5 of this act,~~
21 shall promulgate rules governing the Oklahoma Agriculture
22 Enhancement and Diversification Program.

23 SECTION 3. AMENDATORY 2 O.S. 2011, Section 14-1, is
24 amended to read as follows:

1 Section 14-1. There shall be established a State Bureau of
2 Standards of weights, measures, and tests of all kinds. This Bureau
3 shall be a part of the ~~State~~ Oklahoma Department of Agriculture,
4 Food, and Forestry which shall provide facilities for its use. The
5 ~~President of the State Board of Agriculture~~ Director of Laboratory
6 Services shall ~~appoint~~ act as Director of the Bureau of Standards ~~an~~
7 ~~employee of the Department. Upon recommendation of the Director,~~
8 ~~the President of the Board shall appoint at least two other~~
9 ~~employees as assistant directors. The Director and assistant~~
10 ~~directors shall constitute a board of control for the Bureau of~~
11 ~~Standards. The members of the board of control shall serve without~~
12 ~~salary.~~

13 SECTION 4. AMENDATORY 2 O.S. 2011, Section 14-2, is
14 amended to read as follows:

15 Section 14-2. The ~~board of control~~ Director of the Bureau of
16 Standards shall have charge of the various standards of weights,
17 measures, and testing devices received by this state from the United
18 States pursuant to Resolutions of Congress approved June 14, 1836,
19 and July 27, 1866, and any future standards which may be received
20 from the United States. The ~~board of control~~ Director shall have
21 charge of the various state or office standards purchased by this
22 state for the Bureau.

23 The ~~board of control~~ Director shall have charge and control of
24 the standard methods of weighing, measuring, and testing in this

1 state. The ~~board of control~~ Director shall maintain the standards
2 in good order and shall submit a set of standards called the
3 reference standards to the National Institute of Standards and
4 Technology (NIST) for certification.

5 SECTION 5. AMENDATORY 2 O.S. 2011, Section 14-4, is
6 amended to read as follows:

7 Section 14-4. The Bureau of Standards shall be available to all
8 state departments, municipal and private corporations, and citizens
9 of this state. The Bureau shall be the highest official authority
10 with regard to standards of weights, measures, and testing devices,
11 and methods of weighing, measuring, and testing for this state. The
12 findings of the Bureau of Standards in any case or question shall be
13 considered prima facie evidence of the correctness of the case or
14 question. All officers enforcing the standards for weights,
15 measures, and testing devices in this state shall submit their
16 weighing, measuring, and testing devices to the State Bureau of
17 Standards at those periods determined by the ~~board of control~~
18 Director for certification and seal. ~~The board of control shall~~
19 ~~adopt a seal for this purpose.~~

20 SECTION 6. AMENDATORY 2 O.S. 2011, Section 14-5, is
21 amended to read as follows:

22 Section 14-5. The ~~board of control~~ State Board of Agriculture
23 shall establish fees for all tests and certifications made by the
24 Bureau of Standards. The fees shall in no case exceed those

1 established for similar work by the National Institute of Standards
2 and Technology. The fees collected shall be deposited with the
3 State Treasurer in the State Department of Agriculture Revolving
4 Fund.

5 SECTION 7. AMENDATORY 2 O.S. 2011, Section 14-6, is
6 amended to read as follows:

7 Section 14-6. The Bureau of Standards shall provide information
8 for general distribution, literature, and directions regarding
9 weights, measures and tests, and methods of weighing, measuring, and
10 testing as recommended by the ~~board of control~~ Director.

11 SECTION 8. AMENDATORY 59 O.S. 2011, Section 1202, is
12 amended to read as follows:

13 Section 1202. As used in this act: (1) the term "forester"
14 means a person who, by reason of his knowledge of the natural
15 sciences, mathematics, and the principles of forestry, acquired by
16 forestry education, as set forth in Section 12, (1) of this act,
17 and/or practical experience is qualified to engage in the practice
18 of professional forestry as hereinafter defined; (2) the term
19 "registered forester" means a person who has been licensed pursuant
20 to the act; (3) the term "practice of professional forestry" means
21 professional forestry services, including but not limited to
22 consultation, investigation, evaluation, planning, or responsible
23 supervisions of any forestry activities when such professional
24 services require the application of forestry principles and

1 techniques; and (4) the term "~~Board~~" "Department" means the ~~State~~
2 ~~Board of Registration for registered foresters~~ Oklahoma Department
3 of Agriculture, Food, and Forestry.

4 SECTION 9. AMENDATORY 59 O.S. 2011, Section 1210, is
5 amended to read as follows:

6 Section 1210. The ~~State Board of Registration for Foresters~~
7 Oklahoma Department of Agriculture, Food, and Forestry shall keep a
8 ~~record of its proceedings and~~ a register of all applications for
9 registration, ~~which~~. The register shall show the name, age, and
10 residence of ~~such~~ each applicant; the date of the application;
11 address for the receipt of mail and the place of business of ~~such~~
12 each applicant; the education and other qualifications of the
13 applicant; whether or not an examination was required; whether the
14 application was rejected; whether a license was granted; the date of
15 the action of the ~~Board~~ Department; and such other information as
16 may be deemed necessary by the ~~Board~~ Department.

17 SECTION 10. AMENDATORY 59 O.S. 2011, Section 1211, is
18 amended to read as follows:

19 Section 1211. A roster showing the names and places of business
20 of all registered foresters qualified according to the provisions of
21 this act shall be prepared by the ~~secretary of the Board~~ Department
22 during the month of March of each year. Copies of ~~such~~ the roster
23 shall be mailed to each person ~~so~~ registered, placed on file with
24

1 the Secretary of State and made available to the public upon
2 request.

3 SECTION 11. AMENDATORY 59 O.S. 2011, Section 1212, is
4 amended to read as follows:

5 Section 1212. (A) ~~The following shall be considered as minimum~~
6 ~~evidence satisfactory to the Board that the applicant is qualified~~
7 ~~for registration as a registered forester: (1) Graduation from a~~
8 ~~university or college with a curriculum in forestry acceptable to~~
9 ~~the Board, including one three credit course in each of the~~
10 ~~following subjects: silviculture, forest protection, forest~~
11 ~~management, forest economics, and forest utilization; and a record~~
12 ~~of an additional two (2) years' or more experience in forestry work~~
13 ~~of a character satisfactory to the Board, and indicating that the~~
14 ~~applicant is competent to practice professional forestry; or (2)~~
15 ~~successfully passing an examination designed to show knowledge~~
16 ~~approximation as obtained through graduation from an acceptable~~
17 ~~four-year curriculum in forestry, and a record of four (4) years or~~
18 ~~more of active practice in forestry work of a character satisfactory~~
19 ~~to the Board, and indicating that the applicant is competent to~~
20 ~~practice professional forestry; provided, that after five (5) years~~
21 ~~from the effective date of this act no~~ No person shall qualify as a
22 registered forester unless ~~such~~ the person ~~shall have~~ graduated from
23 a university or college with a curriculum in forestry acceptable to
24 the ~~Board~~ Department, including one three credit course in each of

1 the following subjects: silviculture, forest protection, forest
2 management, forest economics, and forest utilization, and who has a
3 record of an additional two (2) years or more of experience in
4 forestry work of a character satisfactory to the ~~Board~~ Department,
5 and indication that the applicant is competent to practice
6 professional forestry.

7 (B) No person shall be eligible for registration as a registered
8 forester who is not of good character and reputation. ~~The~~
9 ~~completion of the junior year of a curriculum in forestry in a~~
10 ~~university or college acceptable to the Board shall be considered as~~
11 ~~equivalent to two (2) years of the practice of professional~~
12 ~~forestry; the completion of the senior year of a curriculum in~~
13 ~~forestry, without graduation, in a university or college acceptable~~
14 ~~to the Board shall be considered as equivalent to three (3) years of~~
15 ~~the practice of professional forestry.~~

16 SECTION 12. AMENDATORY 59 O.S. 2011, Section 1213, is
17 amended to read as follows:

18 Section 1213. Applications for registration shall be made on
19 forms prescribed and furnished by the ~~Board~~ Department, shall
20 contain statements made under oath as to citizenship, residence, and
21 the applicant's education and detailed summary of ~~his~~ the
22 applicant's technical work, and shall contain the names of not less
23 than five (5) persons, of whom three (3) or more shall be forestry
24 school graduates, having personal or professional knowledge of ~~his~~

1 the applicant's forestry experience. The forms shall also contain a
2 code of ethics prepared and approved by the ~~Board~~ Department
3 essentially conforming to the code of ethics of the Society of
4 American Foresters. The registration fee for a certificate as a
5 "licensed forester" shall be fixed by the Board but not to exceed
6 Twenty-five Dollars (\$25.00), one-half (1/2) of which fee shall
7 accompany the application, the balance to be paid before issuance of
8 the certificate. Should the applicant fail or refuse to remit the
9 ~~said~~ remaining balance within thirty (30) days after being notified
10 by ~~registered~~ mail that the applicant has successfully qualified,
11 the applicant shall forfeit the right to have a certificate ~~se~~
12 issued and ~~said~~ the applicant may be required to again submit an
13 original application and pay an original fee therefor. Should the
14 ~~Board~~ Department deny the issuance of a certificate of registration
15 to any applicant, the fee deposited shall be retained by the ~~Board~~
16 Department as an application fee.

17 SECTION 13. AMENDATORY 59 O.S. 2011, Section 1214, is
18 amended to read as follows:

19 Section 1214. When examinations are required, they shall be
20 held at such time and place as the ~~Board~~ Department shall determine.
21 The methods of procedure shall be prescribed by the ~~Board~~
22 Department. A candidate failing an examination may apply for
23 reexamination at the expiration of six (6) months and shall be
24 entitled to one reexamination without payment of an additional fee.

1 Subsequent examinations may be granted upon payment of a fee to be
2 determined by the ~~Board~~ Department, but not in excess of Twenty-five
3 Dollars (\$25.00).

4 SECTION 14. AMENDATORY 59 O.S. 2011, Section 1215, is
5 amended to read as follows:

6 Section 1215. The ~~Board~~ Department shall issue a license upon
7 payment of the registration fee as provided for in this act to any
8 applicant who, in the opinion of the ~~Board~~ Department, has
9 satisfactorily met all the requirements of the act. Licenses shall
10 show the full name of the registrant, shall have a serial number,
11 and shall be signed by the ~~chairman and secretary of the Board under~~
12 ~~seal of the Board~~ Department. The issuance of a license by the
13 ~~Board~~ Department shall be evidence that the person named therein is
14 entitled to all the rights and privileges of a licensed forester
15 while the said license remains unrevoked or unexpired. Plans, maps,
16 specifications, and reports issued by a registrant shall be endorsed
17 with ~~his~~ the registrant's name and license number. It shall be a
18 misdemeanor for anyone to endorse any plan, specifications,
19 estimate, or map unless ~~he shall have~~ the registrant actually
20 prepared ~~such~~ the plan, specification, estimate, or map or ~~shall~~
21 ~~have been~~ was in the actual charge of the preparation ~~and/or~~
22 responsible therefor.

23 SECTION 15. AMENDATORY 59 O.S. 2011, Section 1216, is
24 amended to read as follows:

1 Section 1216. Licenses shall expire one (1) year after the date
2 of their issuance or renewal and shall become invalid on that date
3 unless renewed. It shall be the duty of the ~~secretary of the Board~~
4 Department to notify, at ~~his~~ the registrant's last-registered
5 address, every person registered under this act of the date of the
6 expiration of ~~his~~ the license and the amount of the fee that shall
7 be required for its renewal for one (1) year; ~~such~~ notice shall be
8 mailed at least one (1) month in advance of the date of the
9 expiration of ~~said~~ the license. The fee for renewal of licenses
10 shall not exceed Ten Dollars (\$10.00). The ~~Board~~ Department shall
11 make an exception to the foregoing renewal provisions in the case of
12 a person while on active duty in any of the armed forces of the
13 United States.

14 SECTION 16. AMENDATORY 59 O.S. 2011, Section 1218, is
15 amended to read as follows:

16 Section 1218. A person not a resident of and having no
17 established place of business in Oklahoma, or who has recently
18 become a resident thereof, may become a licensed forester in
19 Oklahoma provided: (1) ~~such~~ the person is legally licensed as a
20 registered forester in ~~his own~~ the state or country of origin and
21 ~~has submitted~~ submits evidence to the ~~Board that he is so licensed~~
22 Department of the license and that the requirements for registration
23 therein are at least substantially equivalent to the requirements of
24 the act; and (2) the state or country in which ~~he is so~~ licensed

1 observes these same rules of reciprocity in regard to persons
2 originally licensed under the provisions of this act; and (3) the
3 ~~Board~~ Department shall issue a qualified applicant a one-year permit
4 upon receipt of a fee equal to one-year annual renewal, charged
5 licensed foresters in this state.

6 SECTION 17. AMENDATORY 59 O.S. 2011, Section 1219, is
7 amended to read as follows:

8 Section 1219. The ~~Board~~ Department shall have the power to
9 revoke the license of any registrant who is found guilty by the
10 Board of fraud, deceit, gross negligence, incompetency, or
11 misconduct in connection with any forestry practice against any
12 registrant. Such charges shall be written, shall be sworn to by the
13 person making them, and shall be filed with the secretary of the
14 Board. All charges shall be heard by the Board pursuant to its
15 rules and regulations. A quorum of the Board, for reasons it may
16 deem sufficient, may reissue a license to any person whose license
17 has been revoked. A new license to replace any license revoked,
18 lost, destroyed or mutilated may be issued, subject to the rules of
19 the Board, and upon payment of a fee of Three Dollars (\$3.00).

20 SECTION 18. AMENDATORY 59 O.S. 2011, Section 1220, is
21 amended to read as follows:

22 Section 1220. Any person who shall practice or offer to
23 practice the profession of forestry as a registered forester in this
24 state, without being registered in accordance with the provisions of

1 this act, or any person who shall use ~~in connection with his name~~ or
2 otherwise assume, use, or advertise any title or description tending
3 to convey the impression that ~~he~~ the person is a registered
4 forester, without being registered in accordance with the provisions
5 of this act, or any person who shall present or attempt to use as
6 his own the license of another, or any person who shall give any
7 false or forged evidence of any kind to the ~~Board~~ Department, or any
8 member thereof, in obtaining a license, or any person who shall
9 attempt to use an expired or revoked license, or any person, firm,
10 partnership, or corporation who shall violate any of the provisions
11 of this act, shall be guilty of a misdemeanor and upon conviction
12 thereof shall be fined not less than One Hundred Dollars (\$100.00)
13 or more than Five Hundred Dollars (\$500.00), and such monies shall
14 be ~~impounded~~ collected by the ~~Board~~ Department. The ~~Board~~
15 Department, or such person or persons as may be designated by the
16 ~~Board~~ Department to act in its stead, is empowered to prefer charges
17 for any violations of this act in any court of competent
18 jurisdiction. It shall be the duty of all duly-constituted officers
19 of the law of this state to enforce the provisions of this act and
20 to prosecute any persons, firms, partnerships, or corporations
21 violating the same. ~~The Attorney General of the state or his~~
22 ~~designated assistant shall act as legal advisor of the Board and~~
23 ~~render such assistance as may be necessary in carrying out the~~
24 ~~provisions of this act.~~

1 SECTION 19. AMENDATORY 62 O.S. 2011, Section 90.2, is
2 amended to read as follows:

3 Section 90.2. As used in the Rural Economic Development Loan
4 Act:

5 1. ~~"Commissioner"~~ "Department" means the ~~President of the State~~
6 ~~Board~~ Oklahoma Department of Agriculture, Food, and Forestry;

7 2. "Financial institution" means any office or branch of a
8 bank, savings bank, savings association, building and loan
9 association, savings and loan association, credit union or nonprofit
10 lender exempt from taxation pursuant to the provisions of Section
11 501(c) (3) of the Internal Revenue Code of the United States located
12 in the State of Oklahoma;

13 3. "Participating financial institution" means a financial
14 institution which pledges at least Three Million Dollars
15 (\$3,000,000.00) but not to exceed Ten Million Dollars
16 (\$10,000,000.00) to the Rural Economic Development Loan Revolving
17 Fund;

18 4. "Qualified economic development project" means:

19 a. the development, construction, restoration, or
20 replacement of a physical facility located or to be
21 located in a rural area of this state, which has been
22 initiated by a participating financial institution
23 which has been certified by the ~~Rural Economic~~
24 ~~Development Loan Program Review Board pursuant to the~~

1 ~~provisions of paragraph 3 of subsection B of Section~~
2 ~~90.4 of this title Department, and~~

3 b. the commencement or expansion of economic activities
4 that result in or that will, within three (3) years of
5 the commencement of such activities, result in the
6 employment of five (5) or more full-time-equivalent
7 employees at a location in a rural area of this state
8 in positions that did not exist prior to the
9 commencement of such activities and which has been
10 certified by the ~~Rural Economic Development Loan~~
11 ~~Program Review Board pursuant to the provisions of~~
12 ~~paragraph 3 of subsection B of Section 90.4 of this~~
13 ~~title Department; and~~

14 5. "Rural area" means an area designated as such by the Office
15 of Rural Development of the United States Department of Agriculture.

16 SECTION 20. AMENDATORY 62 O.S. 2011, Section 90.3, is
17 amended to read as follows:

18 Section 90.3. There is hereby created the Rural Economic
19 Development Loan Program. The ~~Commissioner of Oklahoma Department~~
20 ~~of Agriculture, Food, and Forestry~~ shall administer the Program,
21 under which reduced rate loans may be made by participating
22 financial institutions, ~~after approval by the Rural Economic~~
23 ~~Development Loan Program Review Board,~~ to finance qualified economic
24 development projects from the Rural Economic Development Loan

1 Revolving Fund created in Section 90.8 of this title. The
2 ~~Commissioner~~ Department shall promulgate rules and take such other
3 actions as may be necessary to implement the Program and monitor
4 compliance of participating financial institutions and loan
5 applicants and recipients.

6 SECTION 21. AMENDATORY 62 O.S. 2011, Section 90.5, is
7 amended to read as follows:

8 Section 90.5. A. A participating financial institution that
9 desires to make a rural economic development loan shall accept and
10 review applications for loans in connection with qualified economic
11 development projects. A package of more than one rural economic
12 development loan may be developed by a development company certified
13 by the U.S. Small Business Administration or a political subdivision
14 of this state or an agency thereof, and such entity may submit an
15 application for one or more loans. The financial institution shall
16 apply all usual lending standards and shall exercise due diligence
17 to determine the creditworthiness of each applicant and to determine
18 if the loan should be granted. Loans made under the Rural Economic
19 Development Loan Act shall conform to the following conditions:

20 1. The maximum amount of loans under the Rural Economic
21 Development Loan Act in connection with a particular qualified
22 economic development project shall be determined by need in the
23 rural area in which the project is located and the number of jobs
24 created. ~~The Oklahoma Rural Economic Development Loan Program~~

1 ~~Review Board~~ Oklahoma Department of Agriculture, Food, and Forestry
2 shall have final decision-making authority as to the maximum amount
3 of each loan;

4 2. The applicant shall certify on the loan application that the
5 loan will be used exclusively in connection with the qualified
6 economic development project in accordance with the purpose of the
7 Rural Economic Development Loan Act;

8 3. No loan shall be approved for any otherwise eligible
9 recipient when fifty percent (50%) or more of the interest in or
10 control of such otherwise eligible recipient is owned directly or
11 indirectly by a person who owns directly or indirectly fifty percent
12 (50%) or more of or controls another participating recipient;

13 4. No loan shall be made to any officer or director of the
14 financial institution making the loan or to any entity in which any
15 such officer or director maintains a controlling interest;

16 5. No loan shall be made to any employee of the Oklahoma
17 Department of Agriculture, Food, and Forestry or ~~members of the~~
18 ~~Oklahoma Rural Economic Development Loan Program Review Board~~ or to
19 any entity in which any ~~such~~ employee ~~or member~~ maintains a
20 controlling interest;

21 6. Whoever knowingly makes a false statement concerning a rural
22 economic development loan application shall be prohibited from
23 participating in the Rural Economic Development Loan Program; and
24

1 7. Rural economic development loans may be renewed if the
2 amount of principal has been reduced by a minimum of five percent
3 (5%) per year and all interest has been paid from the time of the
4 original loan.

5 B. The participating financial institution shall forward to the
6 State Treasurer a rural economic development loan application in the
7 form and manner prescribed and approved by the ~~Commissioner of~~
8 Agriculture Department. The application shall include information
9 regarding the amount of the loan requested by each applicant, the
10 number of jobs to be created, and such other information the
11 ~~Commissioner and the Board require~~ Department requires.

12 C. Upon receipt of a completed rural economic development loan
13 application, the ~~Commissioner~~ Department shall forward the loan
14 application to the ~~Board, the~~ Oklahoma Tax Commission, and the
15 Oklahoma Employment Security Commission. The ~~Board~~ Department shall
16 review the loan package to determine if the loan requested meets the
17 requirements set forth under the Rural Economic Development Loan
18 Act. Within ten (10) days of receipt of the loan package, the
19 Oklahoma Tax Commission and the Oklahoma Employment Security
20 Commission shall determine and certify ~~with the Board~~ whether or not
21 the applicant is in good standing. The ~~Board~~ Department shall make
22 a recommendation concerning the application ~~at to~~ the ~~next regularly~~
23 ~~scheduled State Board meeting or at a special Board meeting of~~
24 Agriculture, after receipt of the responses from the Oklahoma Tax

1 Commission and the Oklahoma Employment Security Commission. No
2 applicant ~~will~~ shall be approved without certification of good
3 standing with the Oklahoma Tax Commission and Oklahoma Employment
4 Security Commission. ~~The Board shall return the application to the~~
5 ~~Commissioner with a written recommendation of approval or rejection.~~
6 ~~If the Board recommends rejection, the written recommendation shall~~
7 ~~include reasons therefor. The Board shall forward a copy of its~~
8 ~~rejection notice to the financial institution and the applicant.~~
9 ~~The Commissioner shall keep a chronological list of applications~~
10 ~~forwarded by the Board for approval or rejection. Rejected~~
11 applications may be resubmitted after reasons for rejection have
12 been addressed.

13 SECTION 22. AMENDATORY 62 O.S. 2011, Section 90.6, is
14 amended to read as follows:

15 Section 90.6. A. Loans made pursuant to applications approved
16 by the ~~Oklahoma Rural Economic Development Loan Program Review Board~~
17 Department shall be subject to the availability of funds pledged to
18 the Rural Economic Development Loan Revolving Fund, and if a loan is
19 not funded for such reason, it shall be funded in the order of the
20 priority given each loan application by the ~~Board~~ Department.

21 B. Upon acceptance of the loan or any portion thereof, the
22 ~~Commissioner of Agriculture~~ Department shall notify the ~~Board, the~~
23 participating financial institution and the applicant. The
24 participating financial institution shall fund the loan to the

1 approved applicant to the extent of its unencumbered pledge to the
2 Rural Economic Development Loan Revolving Fund, not to exceed the
3 amount of the loan accepted. If the amount of the participating
4 financial institution's unencumbered pledge is less than the amount
5 of the loan as accepted, the ~~Commissioner~~ Department shall notify
6 all other participating financial institutions with an unencumbered
7 pledge to the fund and shall require each such institution to
8 transfer an amount to the Rural Economic Development Loan Revolving
9 Fund. Such amount shall be equal to the amount of the remainder of
10 the loan multiplied by the percentage of the institution's
11 unencumbered pledge of all unencumbered pledges. The ~~Commissioner~~
12 Department shall transfer such amounts to the participating
13 financial institution making the loan.

14 C. The percentage rate of the loan shall be reduced compared to
15 the rate imposed with respect to other loans made by the financial
16 institution to similar recipients for similar purposes in an amount
17 determined by the financial institution making the loan.

18 D. The ~~Commissioner~~ Department may retain in the Rural Economic
19 Development Loan Fund an amount not to exceed two percent (2%) of
20 the total amount of a loan. Amounts retained pursuant to the
21 provisions of this subsection may be expended by the ~~Commissioner~~
22 Department for costs associated with administration of this act and
23 may be paid by the State Treasurer to a development company
24 certified by the U.S. Small Business Administration or a political

1 subdivision of this state or agency thereof for costs associated
2 with developing a loan package if all loans in the package are
3 approved pursuant to the provisions of this act.

4 E. A certification of compliance with this section in the form
5 and manner as prescribed by the ~~Commissioner~~ Department shall be
6 required of the participating financial institution.

7 F. The participating financial institution making the loan
8 shall, within three (3) business days of receipt, forward all
9 payments received for repayment of the loan to the ~~Commissioner~~
10 Department for immediate deposit to the Rural Economic Development
11 Loan Revolving Fund, until the amount deposited is equal to the
12 amount transferred by other participating financial institutions in
13 connection with the loan together with interest at the rate applied
14 to the loan. The ~~Commissioner~~ Department shall forward such
15 payments to such other participating financial institutions in
16 proportion to the amounts transferred in connection with the loan.
17 Remaining payments received for repayment of the loan shall be
18 retained by the participating financial institution making the loan.

19 G. Neither the State of Oklahoma nor the ~~Commissioner~~
20 Department shall be liable to any participating financial
21 institution in any manner for payment of the principal or interest
22 on a rural economic development loan.

23 SECTION 23. AMENDATORY 62 O.S. 2011, Section 90.7, is
24 amended to read as follows:

1 Section 90.7. The ~~Commissioner of Agriculture~~ Department, in
2 ~~conjunction~~ consultation with the State Banking Commissioner, shall
3 promulgate rules and prescribe forms to implement the provisions of
4 the Rural Economic Development Loan Act, which shall include, but
5 not be limited to, those necessary to effect contractual
6 arrangements between participating financial institutions pursuant
7 to the making and collection of loans pursuant to the provisions of
8 subsection B of Section 90.6 of this title.

9 SECTION 24. AMENDATORY 62 O.S. 2011, Section 90.8, as
10 amended by Section 442, Chapter 304, O.S.L. 2012 (62 O.S. Supp.
11 2012, Section 90.8), is amended to read as follows:

12 Section 90.8. There is hereby created in the State Treasury a
13 revolving fund for the ~~Commissioner~~ Oklahoma Department of
14 Agriculture, Food, and Forestry to be designated the "Rural Economic
15 Development Loan Revolving Fund". The fund shall be a continuing
16 fund, not subject to fiscal year limitations, and shall consist of
17 all monies received by the ~~Commissioner~~ Department as provided in
18 the Rural Economic Development Loan Act. All monies accruing to the
19 credit of the fund are hereby appropriated and may be budgeted and
20 expended by the ~~Commissioner~~ Department for the purpose of
21 implementing the Rural Economic Development Loan Act. Expenditures
22 from the fund shall be made upon warrants issued by the State
23 Treasurer against claims filed as prescribed by law with the

24

1 Director of the Office of Management and Enterprise Services for
2 approval and payment.

3 SECTION 25. REPEALER 2 O.S. 2011, Sections 3-2, 3-35, 5-
4 3.5, 10-9.2, 15-60.1, 15-60.2, 15-60.3, as amended by Section 10,
5 Chapter 304, O.S.L. 2012, 15-60.4, 16-13, 18-120, 20-5, 20-43, and
6 1950.11 (2 O.S. Supp. 2012, Section 15-60.3), are hereby repealed.

7 SECTION 26. REPEALER 59 O.S. 2011, Sections 1203, as
8 amended by Section 1, Chapter 72 O.S.L. 2012, 1203, as amended by
9 Section 279, Chapter 304, O.S.L. 2012, 1204, 1206, 1207, 1208 and
10 1209 (59 O.S. Supp. 2012, Section 1203), are hereby repealed.

11 SECTION 27. REPEALER 62 O.S. 2011, Section 90.4, is
12 hereby repealed.

13 SECTION 28. This act shall become effective November 1, 2013.

14 COMMITTEE REPORT BY: COMMITTEE ON AGRICULTURE AND RURAL DEVELOPMENT
15 February 18, 2013 - DO PASS AS AMENDED
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