

**EHB 3015**

**THE STATE SENATE**  
**Wednesday, March 31, 2010**

**ENGROSSED**

**House Bill No. 3015**

**As Amended**

ENGROSSED HOUSE BILL NO. 3015 - By: Scott, Fields, Proctor, Sherrer,  
Shumate and Russ of the House and Ivester, Marlatt, Adelson, Jolley  
and Sparks of the Senate.

**[ agricultural linked deposits - Oklahoma Agricultural  
Linked Deposit Act - effective date -  
emergency ]**

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

SECTION 1. AMENDATORY 2 O.S. 2001, Section 5-82, as  
amended by Section 1, Chapter 262, O.S.L. 2009 (2 O.S. Supp. 2009,  
Section 5-82), is amended to read as follows:

Section 5-82. As used in the Oklahoma Agricultural Linked  
Deposit Program:

1. "Agricultural domestic corporation" means any domestic  
corporation formed or licensed pursuant to the Oklahoma General  
Corporation Act or a limited domestic liability company formed or  
licensed pursuant to the Oklahoma Limited Liability Company Act and  
meeting the requirements of paragraph 5 of subsection A of Section  
955 of Title 18 of the Oklahoma Statutes and meeting the  
requirements of subsection A of Section 951 of Title 18 of the  
Oklahoma Statutes;

1           2. "Agricultural linked deposit" means a certificate of deposit  
2 placed by the State Treasurer with an eligible lending institution  
3 or an investment in bonds, notes, debentures, or other obligations  
4 or securities issued by the federal farm credit bank with regard to  
5 an eligible lending institution for the purpose of carrying out the  
6 intent of this program;

7           3. "Agricultural Linked Deposit Loan Package" means the forms  
8 provided by the State Treasurer for the purpose of applying for an  
9 agricultural linked deposit;

10          4. "Alternative agricultural products" means those products  
11 included in a report submitted by the Cooperative Extension Service  
12 of Oklahoma State University to the ~~State~~ Oklahoma Department of  
13 Agriculture, Food, and Forestry, and any other products which the  
14 State Board of Agriculture determines will diversify Oklahoma's  
15 agricultural industry so as to broaden Oklahoma's economic base;

16          5. "An at-risk farm or ranch business" shall be one that seeks  
17 a production loan and meets the following criteria:

18           a. at least sixty percent (60%) of gross income derived  
19 from farming and/or ranching, and

20           b. a debt-to-asset ratio over forty percent (40%);

21          6. "Eligible agricultural business" means:

22           a. any person engaged in producing, processing, or  
23 marketing alternative agricultural products,

- 1           b. any person who is establishing a veterinary practice  
2           in which at least thirty percent (30%) of the practice  
3           consists of services for large animals, ~~or~~  
4           c. an at-risk farm or ranch business, within the State of  
5           Oklahoma in operation that has developed a management  
6           plan through the Intensive Financial Management and  
7           Planning Support (IFMAPS) program of the Cooperative  
8           Extension Service of Oklahoma State University or the  
9           Farm Business Management Program of the Oklahoma  
10          Department of Career and Technology Education; ~~and, or~~  
11          d. a healthy corner store as certified by the Oklahoma  
12          Department of Agriculture, Food, and Forestry;

13          7. "Eligible lending institution" means a financial institution  
14          that agrees to participate in the Oklahoma Agricultural Linked  
15          Deposit Program, and:

- 16           a. is eligible to be a depository of state funds, or  
17           b. is an institution of the farm credit system organized  
18           under the federal "Farm Credit Act of 1971", 12 U.S.C.  
19           2001, as amended; and

20          8. "Healthy corner store" means a grocery store certified by  
21          the Oklahoma Department of Agriculture, Food, and Forestry pursuant  
22          to rules adopted by the State Board of Agriculture that markets  
23          locally grown fresh fruits and vegetables and nutritious foods and

1 for which the sale of beer and tobacco products constitutes less  
2 than ten percent (10%) of its gross sales excluding gasoline and  
3 other nongrocery products, such other requirements as may be  
4 established in rules adopted by the State Board of Agriculture, and  
5 that is located in a geographical area that is underserved by  
6 grocery outlets meeting those requirements.

7 SECTION 2. AMENDATORY 2 O.S. 2001, Section 5-86, is  
8 amended to read as follows:

9 Section 5-86. A. The State Treasurer is authorized to  
10 disseminate information and provide agricultural linked deposit loan  
11 packages to the lending institutions eligible for participation in  
12 the Oklahoma Agricultural Linked Deposit Program.

13 B. The agricultural linked deposit loan package shall be  
14 completed by the borrower before being forwarded to the lending  
15 institution for consideration. Any technical assistance in  
16 completing the agricultural loan package shall be provided by the  
17 State Oklahoma Department of Agriculture, Food, and Forestry.

18 C. 1. An eligible lending institution that desires to receive  
19 an agricultural linked deposit shall accept and review applications  
20 for loans from eligible agricultural businesses. The lending  
21 institution shall apply all usual lending standards to determine the  
22 credit worthiness of each eligible agricultural business. No single  
23 linked deposit for an alternative agricultural product shall exceed

1 One Million Dollars (\$1,000,000.00). No single linked deposit for  
2 an at-risk farm or ranch operation or a healthy corner store shall  
3 exceed Three Hundred Fifty Thousand Dollars (\$350,000.00).

4 2. Only one linked deposit loan shall be made and be  
5 outstanding at any one time to any farmer. However, the linked  
6 deposit loan may be refinanced.

7 3. No loan shall be made to any officer or director of the  
8 lending institution making the loan.

9 D. An eligible agricultural business shall certify on its loan  
10 application that the reduced rate loan will be used exclusively for  
11 the purposes outlined in paragraph 6 of Section 5-82 of this title.

12 E. In considering which eligible agricultural businesses to  
13 include in the agricultural linked deposit loan package for reduced  
14 rate loans, the eligible lending institution shall give priority to  
15 the economic and health needs of the area in which the business is  
16 located and other factors it considers appropriate to determine the  
17 relative financial need of the business.

18 F. 1. The eligible lending institution shall forward to the  
19 State Treasurer an agricultural linked deposit loan package in the  
20 form and manner prescribed and approved by the State Treasurer. The  
21 package shall include information regarding the amount of the loan  
22 requested by each eligible agricultural business and any other  
23 information regarding each business the State Treasurer and the

1 State Board of Agriculture requires. The institution shall certify  
2 that each applicant is an eligible agricultural business, and shall,  
3 for each business, certify the present borrowing rate applicable to  
4 each specific eligible agricultural business.

5 2. The institution and applicant shall certify that each  
6 applicant is an eligible agricultural business and that the values  
7 used to calculate the ratios of debt to assets have not been changed  
8 or manipulated in order to qualify the applicant for the program.

9 3. Whoever knowingly makes a false statement concerning a  
10 linked deposit loan application shall be prohibited from  
11 participating in the linked deposit loan program.

12 G. Upon receipt of a completed agricultural linked deposit loan  
13 package, the State Treasurer may review or audit the information  
14 contained in the completed agricultural linked deposit loan package,  
15 including, but not limited to, a review or audit of the values used  
16 to calculate the ratios of debts to assets as provided by the  
17 applicant and the institution. The State Treasurer shall forward  
18 the completed agricultural linked deposit loan package to the Board.  
19 The Board shall review the agricultural linked deposit loan package  
20 to determine if the package qualifies under this program. The Board  
21 shall make a recommendation concerning the package within ten (10)  
22 business days. The Board shall return the package to the State  
23 Treasurer with a written recommendation of approval or rejection.

1 If the Board recommends rejection, the written recommendation shall  
2 include reasons for the rejection. The Board shall forward a copy  
3 of the rejection notice to the lending institution and the borrower.  
4 The State Treasurer shall keep a chronological list of applications  
5 forwarded by the Board for approval or rejection.

6 SECTION 3. This act shall become effective July 1, 2010.

7 SECTION 4. It being immediately necessary for the preservation  
8 of the public peace, health and safety, an emergency is hereby  
9 declared to exist, by reason whereof this act shall take effect and  
10 be in full force from and after its passage and approval.

11 COMMITTEE REPORT BY: COMMITTEE ON FINANCE, dated 3-30-10 - DO PASS,  
12 As Amended and Coauthored.