

1 STATE OF OKLAHOMA

2 1st Session of the 60th Legislature (2025)

3 POLICY COMMITTEE  
4 RECOMMENDATION

5 FOR

6 HOUSE BILL NO. 1541

By: Patzkowsky

7 POLICY COMMITTEE RECOMMENDATION

8 An Act relating to the Agriculture Linked Deposit  
9 Program; amending 2 O.S. 2021, Sections 5-82, 5-85,  
10 and 5-86, which relate to administration of the  
11 linked deposit program; modifying definitions;  
12 modifying provisions related to guidelines; modifying  
13 certain deposit amount; amending 62 O.S. 2021,  
14 Section 88-1B, which relates to maximum deposits by  
15 State Treasurer; providing an effective date; and  
16 declaring an emergency.

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

18 SECTION 1. AMENDATORY 2 O.S. 2021, Section 5-82, is  
19 amended to read as follows:

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

22 1. "Agricultural domestic corporation" means any domestic  
23 corporation formed or licensed pursuant to the Oklahoma General  
24 Corporation Act or a limited domestic liability company formed or  
licensed pursuant to the Oklahoma Limited Liability Company Act and

1 meeting the requirements of paragraph 5 of subsection A of Section  
2 955 of Title 18 of the Oklahoma Statutes and meeting the  
3 requirements of subsection A of Section 951 of Title 18 of the  
4 Oklahoma Statutes;

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

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

14 4. "Alternative agricultural products" means those products  
15 included in a report submitted by the Cooperative Extension Service  
16 of Oklahoma State University to the Oklahoma Department of  
17 Agriculture, Food, and Forestry, and any other products which the  
18 State Board of Agriculture determines will diversify Oklahoma's  
19 agricultural industry so as to broaden Oklahoma's economic base, but  
20 alternative agricultural products shall not mean medical marijuana  
21 growing operations;

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

24

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

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

4 6. "Eligible agricultural business" means:

5 a. any person engaged in producing, processing, or  
6 marketing alternative agricultural products,

7 b. any person who is establishing a veterinary practice  
8 in which at least thirty percent (30%) of the practice  
9 consists of services for large animals and the total  
10 loan amount shall not exceed Two Hundred Fifty  
11 Thousand Dollars (\$250,000.00),

12 c. an at-risk farm or ranch business, operating within  
13 the State of Oklahoma ~~in operation that has developed~~  
14 ~~a management plan through the Intensive Financial~~  
15 ~~Management and Planning Support (IFMAPS) program of~~  
16 ~~the Cooperative Extension Service of Oklahoma State~~  
17 ~~University or the Farm Business Management Program of~~  
18 ~~the Oklahoma Department of Career and Technology~~  
19 ~~Education~~, or

20 d. a healthy corner store as certified by the Oklahoma  
21 Department of Agriculture, Food, and Forestry;

22 7. "Eligible lending institution" means a financial institution  
23 that agrees to participate in the Oklahoma Agricultural Linked  
24 Deposit Program, and:

- 1           a.    is eligible to be a depository of state funds, or  
2           b.    is an institution of the farm credit system organized  
3                    under the federal "Farm Credit Act of 1971", 12 U.S.C.  
4                    2001, as amended; and

5           8.    "Healthy corner store" means a grocery store certified by  
6 the Oklahoma Department of Agriculture, Food, and Forestry pursuant  
7 to rules adopted by the State Board of Agriculture that markets  
8 locally grown fresh fruits and vegetables and nutritious foods and  
9 for which the sale of beer and tobacco products constitutes less  
10 than ten percent (10%) of its gross sales excluding gasoline and  
11 other nongrocery products, such other requirements as may be  
12 established in rules adopted by the State Board of Agriculture, and  
13 that is located in a geographical area that is underserved by  
14 grocery outlets meeting those requirements.

15           SECTION 2.        AMENDATORY        2 O.S. 2021, Section 5-85, is  
16 amended to read as follows:

17           Section 5-85.   A.   The State Treasurer is authorized to issue  
18 guidelines and administer the Oklahoma Agricultural Linked Deposit  
19 Program. ~~The State Treasurer is further authorized to issue~~  
20 ~~guidelines in a manner similar to Article I of the Administrative~~  
21 ~~Procedures Act.~~

22           B.   The State Treasurer shall submit an annual report outlining  
23 the status of the Oklahoma Agricultural Linked Deposit Program to  
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1 the Governor, the Lieutenant Governor, the President Pro Tempore of  
2 the Senate, and the Speaker of the House of Representatives.

3 SECTION 3. AMENDATORY 2 O.S. 2021, Section 5-86, is  
4 amended to read as follows:

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

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

14 C. 1. An eligible lending institution that desires to receive  
15 an agricultural linked deposit shall accept and review applications  
16 for loans from eligible agricultural businesses. The lending  
17 institution shall apply all usual lending standards to determine the  
18 credit worthiness of each eligible agricultural business. No single  
19 linked deposit for an alternative agricultural product shall exceed  
20 One Million Dollars (\$1,000,000.00). No single linked deposit for  
21 an at-risk farm or ranch operation ~~or a healthy corner store~~ shall  
22 exceed ~~Three Hundred Fifty Thousand Dollars (\$350,000.00)~~ One  
23 Million Dollars (\$1,000,000.00). No single linked deposit for a  
24

1 healthy corner store shall exceed Three Hundred Fifty Thousand  
2 Dollars (\$350,000.00).

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

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

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

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

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

1 for each business, certify the present borrowing rate applicable to  
2 each specific eligible agricultural business.

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

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

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

1 Board or its designee shall forward a copy of the rejection notice  
2 to the lending institution and the borrower. The State Treasurer  
3 shall keep a chronological list of ~~applications forwarded by the~~  
4 ~~Board for approval or rejection~~ all application recommendations  
5 received.

6 SECTION 4. AMENDATORY 62 O.S. 2021, Section 88.1B, is  
7 amended to read as follows:

8 Section 88.1B. A. The amount that the State Treasurer may  
9 invest in all linked deposit programs authorized by law shall not  
10 exceed the lesser of ~~Two Hundred Twenty-five Million Dollars~~  
11 ~~(\$225,000,000.00)~~ Five Hundred Million Dollars (\$500,000,000.00) or  
12 fifteen percent (15%) of all monies available to the State Treasurer  
13 for investment as calculated by taking the average of the quarter-  
14 end amount for the previous four (4) quarters.

15 B. The State Treasurer shall on a quarterly basis review the  
16 percentage of total investable state funds invested in all linked  
17 deposit programs created by law to determine compliance with  
18 subsection A of this section.

19 C. If the State Treasurer determines that more than the amount  
20 allowable pursuant to subsection A of this section is invested in  
21 all linked deposit programs created by law, the State Treasurer  
22 shall suspend any renewal or any initiation of new linked deposit  
23 program investments until the time that the State Treasurer  
24 determines the investment percentage limitation established by this



1 section has been met and except as provided by Section 88.1A of this  
2 title.

3 SECTION 5. This act shall become effective July 1, 2025.

4 SECTION 6. It being immediately necessary for the preservation  
5 of the public peace, health or safety, an emergency is hereby  
6 declared to exist, by reason whereof this act shall take effect and  
7 be in full force from and after its passage and approval.

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