

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 60th Legislature (2025)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1541

By: Patzkowsky of the House

and

Frix of the Senate

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10 COMMITTEE SUBSTITUTE

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

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

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

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

1 1. "Agricultural domestic corporation" means any domestic
2 corporation formed or licensed pursuant to the Oklahoma General
3 Corporation Act or a limited domestic liability company formed or
4 licensed pursuant to the Oklahoma Limited Liability Company Act and
5 meeting the requirements of paragraph 5 of subsection A of Section
6 955 of Title 18 of the Oklahoma Statutes and meeting the
7 requirements of subsection A of Section 951 of Title 18 of the
8 Oklahoma Statutes;

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

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

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

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

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

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

8 6. "Eligible agricultural business" means:

9 a. any person engaged in producing, processing, or
10 marketing alternative agricultural products,

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

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

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

3 7. "Eligible lending institution" means a financial institution
4 that agrees to participate in the Oklahoma Agricultural Linked
5 Deposit Program, and:

6 a. is eligible to be a depository of state funds, or

7 b. is an institution of the farm credit system organized
8 under the federal "Farm Credit Act of 1971", 12 U.S.C.
9 2001, as amended; and

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

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

22 Section 5-85. A. The State Treasurer is authorized to issue
23 guidelines and administer the Oklahoma Agricultural Linked Deposit
24 Program. ~~The State Treasurer is further authorized to issue~~

1 ~~guidelines in a manner similar to Article I of the Administrative~~
2 ~~Procedures Act.~~

3 B. The State Treasurer shall submit an annual report outlining
4 the status of the Oklahoma Agricultural Linked Deposit Program to
5 the Governor, the Lieutenant Governor, the President Pro Tempore of
6 the Senate, and the Speaker of the House of Representatives.

7 SECTION 3. AMENDATORY 2 O.S. 2021, 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 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
24 One Million Dollars (\$1,000,000.00). No single linked deposit for

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

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

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

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

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

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

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

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

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

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

1 recommendation of approval or rejection within ten (10) business
2 days. If the Board or its designee recommends rejection, the
3 written recommendation shall include reasons for the rejection. The
4 Board or its designee shall forward a copy of the rejection notice
5 to the lending institution and the borrower. The State Treasurer
6 shall keep a chronological list of ~~applications forwarded by the~~
7 ~~Board for approval or rejection~~ all application recommendations
8 received.

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

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

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

22 C. If the State Treasurer determines that more than the amount
23 allowable pursuant to subsection A of this section is invested in
24 all linked deposit programs created by law, the State Treasurer

1 shall suspend any renewal or any initiation of new linked deposit
2 program investments until the time that the State Treasurer
3 determines the investment percentage limitation established by this
4 section has been met and except as provided by Section 88.1A of this
5 title.

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

7 SECTION 6. It being immediately necessary for the preservation
8 of the public peace, health or 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.

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12 COMMITTEE REPORT BY: COMMITTEE ON GOVERNMENT OVERSIGHT, dated
13 03/10/2025 - DO PASS, As Amended and Coauthored.

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