

1 STATE OF OKLAHOMA

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

3 COMMITTEE SUBSTITUTE
FOR
4 HOUSE BILL NO. 1541

By: Patzkowsky

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7 COMMITTEE SUBSTITUTE

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

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

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

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

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

- a. at least sixty percent (60%) of gross income derived from farming and/or ranching, and
 - b. a debt-to-asset ratio over forty percent (40%);

6. "Eligible agricultural business" means:

 - a. any person engaged in producing, processing, or marketing alternative agricultural products,
 - b. any person who is establishing a veterinary practice in which at least thirty percent (30%) of the practice consists of services for large animals and the total loan amount shall not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00),
 - c. an at-risk farm or ranch business, operating within the State of Oklahoma ~~in operation that has developed a management plan through the Intensive Financial Management and Planning Support (IFMAPS) program of the Cooperative Extension Service of Oklahoma State University or the Farm Business Management Program of the Oklahoma Department of Career and Technology Education~~, or
 - d. a healthy corner store as certified by the Oklahoma Department of Agriculture, Food, and Forestry;

7. "Eligible lending institution" means a financial institution that agrees to participate in the Oklahoma Agricultural Linked 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

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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