

1 **SENATE FLOOR VERSION**

2 April 1, 2015

3 **AS AMENDED**

4 ENGROSSED HOUSE
5 BILL NO. 1437

6 By: Pfeiffer, Biggs, Sherrer,
7 and **Perryman** of the House

8 and

9 Justice of the Senate

10 [**agriculture - Oklahoma Agriculture Enhancement and
11 Diversification Act -**

12 **emergency]**

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

14 SECTION 1. AMENDATORY 2 O.S. 2011, Section 5-3.2, as
15 amended by Section 2, Chapter 118, O.S.L. 2013 (2 O.S. Supp. 2014,
16 Section 5-3.2), is amended to read as follows:

17 Section 5-3.2 A. The State Board of Agriculture is hereby
18 authorized to establish and administer the Oklahoma Agriculture
19 Enhancement and Diversification Program.

20 B. The purpose of the Oklahoma Agriculture Enhancement and
21 Diversification Program is to promote and encourage the interests of
22 agriculture through the allocation of funds, by grant or loan, to
23 individuals, cooperatives and other agricultural entities to ~~provide~~
24 ~~assistance to projects dealing with the development of new or~~

1 ~~expanded uses or both new and expanded uses of agricultural~~
2 ~~products, and to increase productivity, provide added value to~~
3 ~~agricultural products and benefit the agricultural producer:~~

4 1. Develop new or expanded uses of agricultural products;

5 2. Develop new or expanded benefits of agricultural events;

6 3. Increase agricultural productivity;

7 4. Provide added value to agricultural products or events;

8 5. Benefit the agricultural producer; and

9 6. Benefit the agricultural interests of Oklahoma.

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

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

18 2. Marketing and utilization grants and loans ~~to be used to~~
19 assist in the development or implementation of sound domestic or
20 foreign marketing plans for Oklahoma agricultural products, by-
21 products, or new and better uses for existing agricultural products
22 ~~by~~ through the financing of marketing feasibility studies, business
23 plans, and test marketing;

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

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

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

16 5. Agricultural event grants or loans for expansion or
17 creation of events that benefit and further the public interest in
18 agriculture.

19 D. The State Board of Agriculture shall promulgate rules
20 governing the Oklahoma Agriculture Enhancement and Diversification
21 Program.

22 SECTION 2. AMENDATORY 2 O.S. 2011, Section 5-3.3, as
23 amended by Section 4, Chapter 304, O.S.L. 2012 (2 O.S. Supp. 2014,
24 Section 5-3.3), is amended to read as follows:

1 Section 5-3.3 A. There is hereby created within the State
2 Treasury a fund for the State Board of Agriculture to be designated
3 the "Oklahoma Agriculture Enhancement and Diversification Fund".
4 The fund shall be a continuing fund, not subject to fiscal year
5 limitations, and shall consist of all monies received by the State
6 Board of Agriculture to implement and maintain the Oklahoma
7 Agriculture Enhancement and Diversification Program.

8 B. The Oklahoma Agriculture Enhancement and Diversification
9 Fund shall consist of:

10 1. Money received by the ~~State~~ Oklahoma Department of
11 Agriculture, Food, and Forestry in the form of gifts, grants,
12 appropriations, reimbursements, donations, industry contributions,
13 funds allocated by federal agencies for marketing, research and
14 agricultural development programs and such other monies specifically
15 designated for the Oklahoma Agriculture Enhancement and
16 Diversification Program. All monies accruing to the credit of the
17 fund are hereby appropriated and may be budgeted and expended by the
18 State Board of Agriculture for the Oklahoma Agriculture Enhancement
19 and Diversification Program; and

20 2. Interest attributable to investment of money in the fund.

21 C. All donations or other proceeds received by the Department
22 pursuant to the provisions of this section shall be deposited with
23 the State Treasurer to be credited to the Oklahoma Agriculture
24 Enhancement and Diversification Fund. Expenditures from the fund

1 shall be made upon warrants issued by the State Treasurer against
2 claims filed as prescribed by law with the Director of the Office of
3 Management and Enterprise Services for approval and payment.

4 D. The monies deposited in the fund shall at no time become
5 part of the general budget of the Department or any other state
6 agency. Except for any administration costs incurred in development
7 and implementation of the Oklahoma Agriculture Enhancement and
8 Diversification Program, no monies from the fund shall be
9 transferred for any purpose to any other state agency or to any
10 account of the State Board of Agriculture or the Department or be
11 used for the purpose of contracting with any other state agency or
12 reimbursing any other state agency for any expense.

13 SECTION 3. AMENDATORY 2 O.S. 2011, Section 5-3.4, is
14 amended to read as follows:

15 Section 5-3.4 A. The ~~State~~ Oklahoma Department of Agriculture,
16 Food, and Forestry shall require eligible applicants to submit
17 information, forms and reports as are necessary to properly and
18 efficiently administer the Oklahoma Agriculture Enhancement and
19 Diversification Program.

20 B. Persons may apply to the ~~State Department of Agriculture~~ for
21 grant or loan funds ~~to develop or implement research or marketing~~
22 ~~and utilization or farm diversification plans,~~ in accordance with
23 rules promulgated by the State Board of Agriculture. Applications
24 for grant or loan funds shall be approved or denied by the

1 Department in accordance with criteria promulgated by the Board
2 pursuant to the Oklahoma Agriculture Enhancement and Diversification
3 Program.

4 C. The ~~Commissioner~~ State Board of Agriculture may also
5 allocate monies from the fund to eligible applicants on a matching
6 basis.

7 D. Grant or loan funds may be made available to eligible
8 applicants pursuant to evaluation by the Department based on the
9 following criteria:

10 1. Preference ~~will~~ may be given to the applicants whose:

11 a. industrial and nonfood production processes utilize
12 agricultural products,

13 b. food, feed and fiber products and uses are innovative
14 and add to the value of agricultural products,

15 c. applications demonstrate a high probability of job
16 creation and return-on-investment,

17 d. proposals feature research that is innovative as well
18 as commercially plausible,

19 e. proposals demonstrate a high probability of rapid
20 commercialization,

21 f. projects demonstrate a shared commitment for funding
22 from other private or public sources or from the
23 applicant,

24 g. proposals center efforts on nonurban locales,

- 1 h. principals are individuals, a group of individuals, an
2 individual on behalf of a group, or corporations which
3 meet the criteria set forth in Section 951 of Title 18
4 of the Oklahoma Statutes, to market a product or
5 formulate or implement a marketing plan for products
6 which have not been marketed through existing
7 marketing cooperatives,
8 i. proposals ~~must~~ contain the potential to create
9 additional income for the farm unit, ~~and~~
10 j. proposals ~~must~~ provide for new and innovative plans
11 for marketing the product, and
12 k. proposals for agricultural events benefit the entire
13 state or a large geographic region of the state; and

14 2. Consideration shall not be given to applications for:

- 15 a. research or marketing plans which do not clearly meet
16 the stated objectives of the Oklahoma Agriculture
17 Enhancement and Diversification Act,
18 b. proposals which are aimed solely at business expansion
19 or creation without regard to agricultural products
20 utilization, ~~and~~
21 c. research or marketing plans that cannot reasonably be
22 expected to result in a viable commercial application,
23 or that are or have been duplicated by other research
24 efforts, or

1 d. proposals for agricultural events that do not result
2 in expansion of the event or encourage additional
3 public interest in the event.

4 E. 1. Any information submitted to or compiled by the State
5 Department of Agriculture, with respect to the marketing plans,
6 financial statements, trade secrets, research concepts, methods or
7 products, or any other proprietary information of persons, firms,
8 associations, partnerships, agencies, corporations, institutions of
9 higher education, nonprofit research institutions or other entities
10 pursuant to the Oklahoma Agriculture Enhancement and Diversification
11 Program shall not be disclosed in public hearings and shall be kept
12 confidential, except to the extent that the person or entity which
13 provided such information or which is the subject of such
14 information consents to disclosure.

15 2. Executive sessions may be held to discuss such materials if
16 deemed necessary by the Board.

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

21 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
22 April 1, 2015 - DO PASS AS AMENDED
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