

1 ENGROSSED SENATE  
2 BILL NO. 1747

By: Murdock of the Senate

3 and

4 Townley of the House

5  
6 An Act relating to the Agriculture Enhancement and  
7 Diversification Program; amending 2 O.S. 2011,  
8 Sections 5-3.2 and 5-3.4, as last amended by Sections  
9 1 and 3, Chapter 123, O.S.L. 2015 (2 O.S. Supp. 2019,  
10 Sections 5-3.2 and 5-3.4), which relate to the  
11 purpose and categories of the program, and grants and  
12 loan criteria; removing purpose; modifying and  
13 removing categories; removing authorization for  
14 matching funds; removing and modifying preferences  
15 and exclusions; requiring nondisclosure pursuant to  
16 the Oklahoma Open Records Act; removing authorization  
17 for executive sessions by the Board under certain  
18 circumstances; updating statutory language; and  
19 providing an effective date.

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

21 SECTION 1. AMENDATORY 2 O.S. 2011, Section 5-3.2, as  
22 last amended by Section 1, Chapter 123, O.S.L. 2015 (2 O.S. Supp.  
23 2019, Section 5-3.2), is amended to read as follows:

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

B. The purpose of the Oklahoma Agriculture Enhancement and  
Diversification Program is to promote and encourage the interests of

1 agriculture through the allocation of funds, by grant or loan, to  
2 individuals, cooperatives and other agricultural entities to:

- 3 1. Develop new or expanded uses of agricultural products;
- 4 ~~2. Develop new or expanded benefits of agricultural events;~~
- 5 ~~3. Increase agricultural productivity;~~
- 6 ~~4.~~ 3. Provide added value to agricultural products or events;
- 7 ~~5.~~ 4. Benefit the agricultural producer; and
- 8 ~~6.~~ 5. Benefit the agricultural interests of ~~Oklahoma~~ this  
9 state.

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

- 11 1. ~~Cooperative marketing~~ Value-added agriculture grants and  
12 loans for entities or individuals ~~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 assist in the~~  
19 ~~development or implementation of sound domestic or foreign marketing~~  
20 ~~plans for Oklahoma agricultural products, by-products, or new and~~  
21 ~~better uses for existing agricultural products through the financing~~  
22 ~~of marketing feasibility studies, business plans, and test~~  
23 ~~marketing;~~

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

5       ~~4. Basic and applied~~ 3. Product development and research  
6 grants and loans for agricultural business creation or expansion, or  
7 research which will likely lead to a marketable agricultural product  
8 through the focusing of research efforts on uses and processing of  
9 Oklahoma agricultural products and by-products, including but not  
10 limited to:

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

17       ~~5. Agricultural event~~ 4. Veteran or young farmer grants or  
18 loans for veterans and young farmers that are engaged or will be  
19 engaged in expansion or creation of ~~events that benefit and further~~  
20 ~~the public interest in agriculture~~ an agricultural business.

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

1 SECTION 2. AMENDATORY 2 O.S. 2011, Section 5-3.4, as  
2 amended by Section 3, Chapter 123, O.S.L. 2015 (2 O.S. Supp. 2019,  
3 Section 5-3.4), is amended to read as follows:

4 Section 5-3.4. A. The Oklahoma Department of Agriculture,  
5 Food, and Forestry shall require eligible applicants to submit  
6 information, forms and reports as are necessary to properly and  
7 efficiently administer the Oklahoma Agriculture Enhancement and  
8 Diversification Program.

9 B. Persons may apply to the Department for grant or loan funds  
10 in accordance with rules promulgated by the State Board of  
11 Agriculture. Applications for grant or loan funds shall be approved  
12 or denied by the Department in accordance with criteria promulgated  
13 by the State Board of Agriculture pursuant to the Oklahoma  
14 Agriculture Enhancement and Diversification Program.

15 ~~C. The State Board of Agriculture may also allocate monies from~~  
16 ~~the fund to eligible applicants on a matching basis.~~

17 ~~D.~~ Grant or loan funds may be made available to eligible  
18 applicants pursuant to evaluation by the Department based on the  
19 following criteria:

- 20 1. Preference may be given to the applicants whose:
- 21 a. industrial and nonfood production processes utilize
  - 22 agricultural products,
  - 23 b. food, feed and fiber products and uses are innovative
  - 24 and add to the value of agricultural products,

- 1 c. applications demonstrate a high probability of job  
2 creation and return-on-investment,
- 3 d. proposals feature research that is innovative as well  
4 as commercially plausible,
- 5 e. proposals demonstrate a high probability of rapid  
6 commercialization,
- 7 f. projects demonstrate a shared commitment for funding  
8 from other private or public sources or from the  
9 applicant,
- 10 g. proposals center efforts on nonurban locales,
- 11 h. principals are individuals, a group of individuals, an  
12 individual on behalf of a group, or corporations which  
13 meet the criteria set forth in Section 951 of Title 18  
14 of the Oklahoma Statutes, to market a product or  
15 formulate or implement a marketing plan for  
16 agricultural products which have not been marketed  
17 through existing marketing cooperatives produced or  
18 processed in this state,
- 19 i. proposals contain the potential to create additional  
20 income for the farm unit, and
- 21 j. proposals provide for new and innovative plans for  
22 marketing the product, ~~and~~
- 23 ~~k. proposals for agricultural events benefit the entire~~  
24 ~~state or a large geographic region of the state; and~~

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

2            a. research or marketing plans which do not clearly meet  
3            the stated objectives of the Oklahoma Agriculture  
4            Enhancement and Diversification Act,

5            b. proposals which are aimed solely at business expansion  
6            or creation without regard to agricultural products  
7            utilization, or

8            c. research or marketing plans that cannot reasonably be  
9            expected to result in a viable commercial application,  
10           or that are or have been duplicated by other research  
11           efforts, ~~or~~

12           ~~d. proposals for agricultural events that do not result  
13           in expansion of the event or encourage additional  
14           public interest in the event.~~

15        ~~E.~~ 1. D. Any information submitted to or compiled by the  
16 Department with respect to the marketing plans, financial  
17 statements, trade secrets, research concepts, methods or products,  
18 or any other proprietary information of persons, firms,  
19 associations, partnerships, agencies, corporations, institutions of  
20 higher education, nonprofit research institutions or other entities  
21 pursuant to the Oklahoma Agriculture Enhancement and Diversification  
22 Program shall not be disclosed pursuant to the Oklahoma Open Records  
23 Act or in public hearings and shall be kept confidential, except to  
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1 the extent that the person or entity which provided such information  
2 or which is the subject of such information consents to disclosure.

3 ~~2. Executive sessions may be held to discuss such materials if~~  
4 ~~deemed necessary by the Board.~~

5 SECTION 3. This act shall become effective November 1, 2020.

6 Passed the Senate the 3rd day of March, 2020.

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Presiding Officer of the Senate

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10 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
11 2020.

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Presiding Officer of the House  
of Representatives

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