

1 STATE OF OKLAHOMA

2 2nd Session of the 51st Legislature (2008)

3 COMMITTEE SUBSTITUTE  
4 FOR ENGROSSED  
5 SENATE BILL NO. 1865

By: Coffee, Mazzei and Brogdon  
of the Senate

6 and

7 Benge of the House

8  
9 COMMITTEE SUBSTITUTE

10 ( State government - Accountability and Innovation  
11 Act - Joint Committee on Accountability and  
12 Innovation - codification - effective date -  
13 emergency )

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16 SECTION 1. NEW LAW A new section of law to be codified  
17 in the Oklahoma Statutes as Section 450.3 of Title 74, unless there  
18 is created a duplication in numbering, reads as follows:

19 This act shall be known and may be cited as the "Accountability  
20 and Innovation Act".

21 SECTION 2. NEW LAW A new section of law to be codified  
22 in the Oklahoma Statutes as Section 450.4 of Title 74, unless there  
23 is created a duplication in numbering, reads as follows:

24 As used in the Accountability and Innovation Act:

1           1. "Committee" means the Joint Committee on Accountability and  
2 Innovation created in Section 4 of this act;

3           2. "Office" means the Office of Accountability and Innovation  
4 created in Section 6 of this act;

5           3. "Performance audit" means an audit to provide the  
6 determinations set forth in subsection B of Section 7 of this act;

7           4. "Person" means an individual, proprietorship, partnership,  
8 limited liability company, limited partnership, association, trust,  
9 estate, business trust, group, corporation, or other legal entity,  
10 whether or not operated for profit, or a governmental agency, unit,  
11 or subdivision;

12           5. "State agency" means any state office, officer, department,  
13 board, commission, institution, bureau, agency, or authority or any  
14 division or unit thereof; and

15           6. "Tax incentive review" means a review of any tax preference  
16 or other provision of tax law to determine the impact on state  
17 revenues of the granting of such preference and any economic benefit  
18 to the state resulting therefrom, as set forth in subsection B of  
19 Section 8 of this act.

20           SECTION 3.           NEW LAW           A new section of law to be codified  
21 in the Oklahoma Statutes as Section 450.5 of Title 74, unless there  
22 is created a duplication in numbering, reads as follows:

23           The purpose of the Accountability and Innovation Act is to  
24 require the conducting of performance audits and the review of tax

1 incentives to ensure that taxpayer funds are being used efficiently  
2 and effectively and that state agencies are using the best practices  
3 available.

4 SECTION 4. NEW LAW A new section of law to be codified  
5 in the Oklahoma Statutes as Section 450.6 of Title 74, unless there  
6 is created a duplication in numbering, reads as follows:

7 A. There is hereby created the Joint Committee on  
8 Accountability and Innovation, which shall consist of five members  
9 of the Senate and five members of the House of Representatives. The  
10 five members of the Senate shall be appointed by the President Pro  
11 Tempore. The five members of the House of Representatives shall be  
12 appointed by the Speaker. Of the members appointed by each  
13 appointing authority, not more than three shall be members of the  
14 same political party, and not more than three shall represent  
15 legislative districts which are part of the same county.

16 B. A quorum of the Committee shall be six. Except as otherwise  
17 specifically provided by law, all actions of the Committee may be  
18 taken by a majority of those present when there is a quorum.

19 C. At the commencement of each regular session of the  
20 Legislature, the Committee shall organize by electing a Chair and a  
21 Vice-chair who are not members of the same house of the Legislature.  
22 The Vice-chair shall exercise all of the powers of the Chair in the  
23 absence of the Chair.

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1 D. The Committee may meet at any time, at any place in the  
2 state at the call of the Chair.

3 E. Members of the Committee shall receive reimbursement for  
4 actual and necessary expenses incurred in connection with their  
5 duties as members in accordance with other provisions of law  
6 relating to travel reimbursement for members of the Legislature.

7 SECTION 5. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 450.7 of Title 74, unless there  
9 is created a duplication in numbering, reads as follows:

10 A. The Joint Committee on Accountability and Innovation shall  
11 have the following powers and duties, in addition to other powers  
12 provided by law to standing committees of the Legislature:

13 1. Not later than March 1 of each year, to determine and  
14 publish a list of state agencies or state programs for which a  
15 performance audit will be conducted, subject to available funding.  
16 Such list may include specific divisions of state agencies if  
17 directed by the Committee. The Legislature, by concurrent  
18 resolution or by statute, may add or delete state agencies or  
19 divisions thereof, or state programs, to or from the list. The  
20 Governor or any member of the Legislature may request a performance  
21 audit to be conducted of any agency, division or state program by  
22 making a written request to the Committee detailing the reasons for  
23 requesting such audit, which shall be granted upon a majority vote  
24 of a quorum of the Committee, subject to available funding;

1           2. Not later than January 1 of each year, to determine and  
2 publish a list of tax preferences or other provisions of tax law for  
3 which a tax incentive review will be conducted, subject to available  
4 funding. The Legislature, by concurrent resolution or by statute,  
5 may add or delete tax preferences or other provisions of tax law to  
6 or from the list. The Governor or any member of the Legislature may  
7 request a tax incentive review to be conducted of any provision of  
8 state tax law by making a written request to the Committee detailing  
9 the reasons for requesting such review, which shall be granted upon  
10 a majority vote of a quorum of the Committee;

11           3. To enter into contracts with independent auditors as may be  
12 necessary to accomplish the intent of the Accountability and  
13 Innovation Act;

14           4. To coordinate with the State Auditor and Inspector or any  
15 other entity of state government as the Committee deems necessary;

16           5. To propose legislation, conduct interim studies or make  
17 other proposals for consideration by the Legislature, based upon its  
18 findings, for the purposes of fostering innovation in state  
19 government and making state government processes more accessible,  
20 transparent and accountable to the taxpayers; and

21           6. To collect any information from state agencies or other  
22 persons or entities, which relates or may relate to a performance  
23 audit or tax incentive review, or to delegate such authority to the  
24 Director of the Office of Accountability and Innovation.

1 B. Each state agency and other affected persons shall cooperate  
2 with the Committee in the providing of any information requested.  
3 The Committee shall have the power to issue subpoenas and to compel  
4 the attendance of witnesses and the production of information as  
5 provided in Section 773 of Title 74 of the Oklahoma Statutes, upon a  
6 majority vote of a quorum of the members of the Committee.

7 SECTION 6. NEW LAW A new section of law to be codified  
8 in the Oklahoma Statutes as Section 450.8 of Title 74, unless there  
9 is created a duplication in numbering, reads as follows:

10 There is hereby created the Office of Accountability and  
11 Innovation as part of the Legislative Service Bureau. The Office of  
12 Accountability and Innovation shall conduct, or shall cause to be  
13 conducted, performance audits and tax incentive reviews as directed  
14 by the Joint Committee on Accountability and Innovation.

15 SECTION 7. NEW LAW A new section of law to be codified  
16 in the Oklahoma Statutes as Section 450.9 of Title 74, unless there  
17 is created a duplication in numbering, reads as follows:

18 A. A performance audit shall be conducted each year of those  
19 state agencies specified by law or concurrent resolution of the  
20 Legislature or designated by the Joint Committee on Accountability  
21 and Innovation, subject to available funding. If funding is  
22 insufficient to conduct every such performance audit, those  
23 specified by law shall receive first priority and the Joint  
24 Committee shall specify the priority of those specified by

1 concurrent resolution of the Legislature or designated by the Joint  
2 Committee. These audits shall be conducted in accordance with  
3 generally accepted governmental auditing standards. The resulting  
4 written audit reports shall be issued as soon after the completion  
5 of the audit as is practicable.

6 B. A performance audit shall determine:

7 1. Whether the audited agency, division or program is carrying  
8 out only those activities or programs authorized by state law, or is  
9 engaging in activities, or programs which go beyond its  
10 authorization, as set forth in state law;

11 2. Whether the agency, division or program is efficiently and  
12 effectively administered, including, but not limited to:

13 a. whether it is operated under the best practices of  
14 this state or other comparable entities,

15 b. whether its functions are duplicative of, or could be  
16 better provided by, other agencies of state  
17 government, and

18 c. whether it is operated in a manner which is accessible  
19 and easily used by those to whom public services are  
20 provided;

21 3. Whether a new agency, division or program is efficiently and  
22 effectively implemented according to the intent of the Legislature  
23 as expressed in state law; and  
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1 4. Whether any change or reorganization of the agency, division  
2 or program would be preferable to its current structure.

3 C. Copies of the reports of audits conducted shall be furnished  
4 to the Governor, the President Pro Tempore of the Senate, the  
5 Speaker of the House of Representatives, each member of the Joint  
6 Committee on Accountability and Innovation, the audited state agency  
7 and each member of the governing board of the state agency, if  
8 applicable, and other interested persons or agencies as may be  
9 specified by the Committee or required by law or by the  
10 specifications of the audit. The copies may be furnished  
11 electronically.

12 SECTION 8. NEW LAW A new section of law to be codified  
13 in the Oklahoma Statutes as Section 450.10 of Title 74, unless there  
14 is created a duplication in numbering, reads as follows:

15 A. A tax incentive review shall be conducted each year of those  
16 tax preferences or other provisions of tax law specified by law or  
17 concurrent resolution of the Legislature or designated by the Joint  
18 Committee on Accountability and Innovation, subject to available  
19 funding. If funding is insufficient to conduct every such tax  
20 incentive review, those specified by law shall receive first  
21 priority and the Joint Committee shall specify the priority of those  
22 specified by concurrent resolution of the Legislature or designated  
23 by the Joint Committee. The Oklahoma Tax Commission shall provide

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1 such assistance to the Committee in the conduct of such reviews as  
2 may be necessary.

3 B. A tax incentive review shall include, but not be limited to:

4 1. A determination of the impact on state revenues due to the  
5 granting of the tax preference or provision;

6 2. A determination of the economic benefit to the state due to  
7 the granting of the tax preference or provision, whether measured in  
8 increased state revenues, job creation, wage or personal income  
9 growth, investment in this state, or other economic criteria;

10 3. An estimate of the effect on the distribution of the tax  
11 burden upon citizens or legal entities of this state;

12 4. An analysis of the competitive position of this state  
13 relative to other states with similar tax preferences or provisions;  
14 and

15 5. An overall determination of the effectiveness of the tax  
16 preference or provision in achieving the desired objective as set  
17 forth in state law.

18 C. Copies of the reports of tax incentive reviews conducted  
19 shall be furnished to the Governor, the President Pro Tempore of the  
20 Senate, the Speaker of the House of Representatives, each member of  
21 the Joint Committee on Accountability and Innovation, the Tax  
22 Commission, and other interested persons or agencies as may be  
23 specified by the Committee or required by law or by the  
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1 specifications of the review. The copies may be furnished  
2 electronically.

3 D. Notwithstanding the provisions of Section 205 of Title 68 of  
4 the Oklahoma Statutes, any person receiving tax information under  
5 the provisions of this section shall be subject to the same duty of  
6 confidentiality imposed by law upon the Tax Commission and shall be  
7 subject to any civil or criminal penalties imposed by law for  
8 violations of such duty of confidentiality.

9 SECTION 9. AMENDATORY 74 O.S. 2001, Section 450.1, is  
10 amended to read as follows:

11 Section 450.1 A. ~~The Legislative Fiscal Office and Joint Bill~~  
12 ~~Processing Department are hereby abolished.~~

13 ~~B.~~ There is hereby created the Legislative Service Bureau which  
14 shall serve both the House of Representatives and the Senate. The  
15 Speaker of the House of Representatives and the President Pro  
16 Tempore of the Senate shall employ a Director of the Legislative  
17 Service Bureau, who shall employ such personnel as necessary to  
18 implement the responsibilities imposed upon the Bureau by the  
19 Legislature by concurrent resolution.

20 ~~C.~~ B. 1. The Legislative Service Bureau shall be responsible  
21 for such services as directed by the Speaker of the House of  
22 Representatives and the President Pro Tempore of the Senate; and any  
23 area of production of proposed legislation as directed by the  
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1 Speaker of the House of Representatives and President Pro Tempore of  
2 the Senate.

3 2. The Legislative Service Bureau shall be a clearinghouse for  
4 the Legislature for all budgetary forms, research reports and  
5 information.

6 3. Any reference in the Oklahoma Statutes to the Legislative  
7 Fiscal Office or the Joint Bill Processing Department shall be a  
8 reference to the Legislative Service Bureau.

9 4. The Legislative Service Bureau shall provide office space  
10 and equipment required by the Office of Accountability and  
11 Innovation.

12 SECTION 10. This act shall become effective July 1, 2008.

13 SECTION 11. It being immediately necessary for the preservation  
14 of the public peace, health and safety, an emergency is hereby  
15 declared to exist, by reason whereof this act shall take effect and  
16 be in full force from and after its passage and approval.

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