

1 ENGROSSED SENATE  
2 BILL NO. 1865

By: Coffee, Mazzei and Brogdon  
of the Senate

3 and

4 Bengie of the House

5  
6  
7 [ state government - Accountability and Innovation  
8 Act - Joint Committee on Accountability and  
9 Innovation - codification - effective date -  
10 emergency ]

11  
12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

16 This act shall be known and may be cited as the "Accountability  
17 and Innovation Act".

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

21 As used in the Accountability and Innovation Act:

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

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

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

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

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

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

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

21           The purpose of the Accountability and Innovation Act is to  
22 require the conducting of performance audits and the review of tax  
23 incentives to ensure that taxpayer funds are being used efficiently  
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1 and effectively and that state agencies are using the best practices  
2 available.

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

6 A. There is hereby created the Joint Committee on  
7 Accountability and Innovation, which shall consist of five (5)  
8 members of the Senate and five (5) members of the House of  
9 Representatives. The five members of the Senate shall be appointed  
10 by the President Pro Tempore. The five members of the House of  
11 Representatives shall be appointed by the Speaker. Of the members  
12 appointed by each appointing authority, not more than three shall be  
13 members of the same political party, and not more than three shall  
14 represent legislative districts which are part of the same county.

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

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

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

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

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

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

11 1. To appoint and fix the compensation of the Director of the  
12 Office of Accountability and Innovation;

13 2. 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           3. 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           4. To enter into contracts with independent auditors as may be  
12 necessary to accomplish the intent of the Accountability and  
13 Innovation Act;

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

16           6. 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           7. 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 Each state agency and other affected persons shall cooperate  
2 with the Committee and the Director in the providing of any  
3 information requested. The Committee shall have the power to issue  
4 subpoenas and to compel the attendance of witnesses and the  
5 production of information as provided in Section 773 of Title 74 of  
6 the Oklahoma Statutes, upon a majority vote of a quorum of the  
7 members of the Committee.

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

11 There is hereby created the Office of Accountability and  
12 Innovation as part of the Legislative Service Bureau. The Director  
13 of the Office of Accountability and Innovation shall be appointed by  
14 the Joint Committee on Accountability and Innovation for a four-year  
15 term and shall only be removed prior to the expiration of the term  
16 for good cause shown. The Director shall be a person of extensive  
17 experience and recognized qualification in the field of governmental  
18 fiscal procedures and auditing. The Director shall employ and fix  
19 the compensation of employees of the Office of Accountability and  
20 Innovation. The Director and all such employees shall be in the  
21 unclassified service. The Office of Accountability and Innovation  
22 shall conduct, or shall cause to be conducted, performance audits  
23 and tax incentive reviews as directed by the Joint Committee and  
24 shall provide staff services to the Joint Committee to enable it to

1 | conduct its responsibilities as set forth in the Accountability and  
2 | Innovation Act.

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

6 |       A. A performance audit shall be conducted each year of those  
7 | state agencies specified by law or concurrent resolution of the  
8 | Legislature or designated by the Joint Committee on Accountability  
9 | and Innovation, subject to available funding. If funding is  
10 | insufficient to conduct every such performance audit, those  
11 | specified by law shall receive first priority and the Joint  
12 | Committee shall specify the priority of those specified by  
13 | concurrent resolution of the Legislature or designated by the Joint  
14 | Committee. These audits shall be conducted in accordance with  
15 | generally accepted governmental auditing standards. The resulting  
16 | written audit reports shall be issued as soon after the completion  
17 | of the audit as is practicable.

18 |       B. A performance audit shall determine:

19 |       1. Whether the audited agency, division or program is carrying  
20 | out only those activities or programs authorized by state law, or is  
21 | engaging in activities, or programs which go beyond its  
22 | authorization, as set forth in state law;

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

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

3 b. whether its functions are duplicative of, or could be  
4 better provided by, other agencies of state  
5 government, and

6 c. whether it is operated in a manner which is accessible  
7 and easily used by those to whom public services are  
8 provided;

9 3. Whether a new agency, division or program is efficiently and  
10 effectively implemented according to the intent of the Legislature  
11 as expressed in state law; and

12 4. Whether any change or reorganization of the agency, division  
13 or program would be preferable to its current structure.

14 C. Copies of the reports of audits conducted shall be furnished  
15 to the Governor, the President Pro Tempore of the Senate, the  
16 Speaker of the House of Representatives, each member and the staff  
17 of the Joint Committee on Accountability and Innovation, the audited  
18 state agency and each member of the governing board of the state  
19 agency, if applicable, and other interested persons or agencies as  
20 may be specified by the Committee or required by law or by the  
21 specifications of the audit. The copies may be furnished  
22 electronically.

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

4           A. A tax incentive review shall be conducted each year of those  
5 tax preferences or other provisions of tax law specified by law or  
6 concurrent resolution of the Legislature or designated by the Joint  
7 Committee on Accountability and Innovation, subject to available  
8 funding. If funding is insufficient to conduct every such tax  
9 incentive review, those specified by law shall receive first  
10 priority and the Joint Committee shall specify the priority of those  
11 specified by concurrent resolution of the Legislature or designated  
12 by the Joint Committee. The Oklahoma Tax Commission shall provide  
13 such assistance to the Committee in the conduct of such reviews as  
14 may be necessary.

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

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

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

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

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1 4. An analysis of the competitive position of this state  
2 relative to other states with similar tax preferences or provisions;  
3 and

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

7 C. Copies of the reports of tax incentive reviews conducted  
8 shall be furnished to the Governor, the President Pro Tempore of the  
9 Senate, the Speaker of the House of Representatives, each member and  
10 the staff of the Joint Committee on Accountability and Innovation,  
11 the Tax Commission, and other interested persons or agencies as may  
12 be specified by the Committee or required by law or by the  
13 specifications of the review. The copies may be furnished  
14 electronically.

15 D. Notwithstanding the provisions of Section 205 of Title 68 of  
16 the Oklahoma Statutes, any person receiving tax information under  
17 the provisions of this section shall be subject to the same duty of  
18 confidentiality imposed by law upon the Tax Commission and shall be  
19 subject to any civil or criminal penalties imposed by law for  
20 violations of such duty of confidentiality.

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

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

1       ~~B.~~ There is hereby created the Legislative Service Bureau which  
2 shall serve both the House of Representatives and the Senate. The  
3 Speaker of the House of Representatives and the President Pro  
4 Tempore of the Senate shall employ a Director of the Legislative  
5 Service Bureau, who shall employ such personnel as necessary to  
6 implement the responsibilities imposed upon the Bureau by the  
7 Legislature by concurrent resolution.

8       ~~C.~~ B. 1. The Legislative Service Bureau shall be responsible  
9 for such services as directed by the Speaker of the House of  
10 Representatives and the President Pro Tempore of the Senate; and any  
11 area of production of proposed legislation as directed by the  
12 Speaker of the House of Representatives and President Pro Tempore of  
13 the Senate.

14       2. The Legislative Service Bureau shall be a clearinghouse for  
15 the Legislature for all budgetary forms, research reports and  
16 information.

17       3. Any reference in the Oklahoma Statutes to the Legislative  
18 Fiscal Office or the Joint Bill Processing Department shall be a  
19 reference to the Legislative Service Bureau.

20       4. The Legislative Service Bureau shall provide office space,  
21 equipment and other administrative support required by the Office of  
22 Accountability and Innovation.

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