

ENROLLED SENATE  
BILL NO. 1865

By: Coffee, Mazzei and Brogdon  
of the Senate

and

Benge, Kern, Reynolds,  
Terrill and Tibbs of the  
House

An Act relating to state government; providing legislative finding; creating the Accountability and Innovation Act; providing short title; defining terms; stating purpose; creating Joint Committee on Accountability and Innovation; providing for membership, appointment, quorum, organization, meetings and travel reimbursement for Committee; specifying powers and duties of Committee; creating Office of Accountability and Innovation within Legislative Service Bureau; providing for Director and other employees thereof; allowing conducting of certain performance audits; providing procedures; requiring copies be furnished to certain persons; allowing certain tax incentive reviews; providing procedures; requiring copies be furnished to certain persons; imposing certain confidentiality requirements; amending 74 O.S. 2001, Section 450.1, which relates to the Legislative Service Bureau; deleting obsolete language; specifying certain duties of Bureau; providing for codification; and providing for noncodification.

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

SECTION 1. NEW LAW A new section of law not to be codified in the Oklahoma Statutes reads as follows:

It is the finding of the Legislature that the Legislative Service Bureau is able to implement the provisions of this act using existing resources through savings derived in other agency program areas.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 450.3 of Title 74, unless there is created a duplication in numbering, reads as follows:

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

SECTION 3. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 450.4 of Title 74, unless there is created a duplication in numbering, reads as follows:

As used in the Accountability and Innovation Act:

1. "Committee" means the Joint Committee on Accountability and Innovation created in Section 5 of this act;

2. "Office" means the Office of Accountability and Innovation created in Section 7 of this act;

3. "Performance audit" means an audit to provide the determinations set forth in subsection B of Section 8 of this act;

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

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

6. "Tax incentive review" means a review of any tax preference or other provision of tax law to determine the impact on state

revenues of the granting of such preference and any economic benefit to the state resulting therefrom, as set forth in subsection B of Section 9 of this act.

SECTION 4. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 450.5 of Title 74, unless there is created a duplication in numbering, reads as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

There is hereby created the Office of Accountability and Innovation as part of the Legislative Service Bureau. The Director of the Office of Accountability and Innovation shall be appointed by the Joint Committee on Accountability and Innovation for a four-year term and shall only be removed prior to the expiration of the term for good cause shown. The Director shall be a person of extensive experience and recognized qualifications in the field of governmental fiscal procedures and auditing. The Director shall employ and fix the compensation of employees of the Office of Accountability and Innovation. The Director and all such employees shall be in the unclassified service. The Office of Accountability and Innovation shall conduct, or shall cause to be conducted,

performance audits and tax incentive reviews as directed by the Joint Committee on Accountability and Innovation and shall provide staff services to the Joint Committee on Accountability and Innovation to enable it to conduct its responsibilities as set forth in the Accountability and Innovation Act.

SECTION 8. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 450.9 of Title 74, unless there is created a duplication in numbering, reads as follows:

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

B. A performance audit shall determine:

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

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

- a. whether it is operated under the best practices of this state or other comparable entities,
- b. whether its functions are duplicative of, or could be better provided by, other agencies of state government, and

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

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

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

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

SECTION 9. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 450.10 of Title 74, unless there is created a duplication in numbering, reads as follows:

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

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

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

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

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

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

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

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

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

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

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

~~B.~~ There is hereby created the Legislative Service Bureau which shall serve both the House of Representatives and the Senate. The Speaker of the House of Representatives and the President Pro Tempore of the Senate shall employ a Director of the Legislative

Service Bureau, who shall employ such personnel as necessary to implement the responsibilities imposed upon the Bureau by the Legislature by concurrent resolution.

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

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

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

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

Passed the Senate the 19th day of May, 2008.

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Presiding Officer of the Senate

Passed the House of Representatives the 24th day of April, 2008.

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Presiding Officer of the House  
of Representatives