

1 STATE OF OKLAHOMA

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

3 SENATE BILL 1865

By: Coffee

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5
6 AS INTRODUCED

7 An Act relating to state government; creating the
8 Accountability and Efficiency Act; providing short
9 title; defining terms; stating purpose; creating
10 Joint Committee on Accountability and Efficiency;
11 providing for membership, appointment, quorum,
12 organization, meetings and travel reimbursement for
13 Committee; specifying powers and duties of Committee;
14 creating Office of Accountability and Efficiency
15 within Legislative Service Bureau; providing for
16 Director and other employees thereof; requiring
17 conducting of certain financial-compliance audits and
18 tax incentive reviews and providing procedures
19 related thereto; requiring copies be furnished to
20 certain persons; imposing certain confidentiality
21 requirements; amending 74 O.S. 2001, Section 450.1,
22 which relates to the Legislative Service Bureau;
23 specifying certain duties of Bureau; providing for
24 codification; providing an effective date; and
declaring an emergency.

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

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

23 This act shall be known and may be cited as the "Accountability
24 and Efficiency Act".

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

4 As used in the Accountability and Efficiency Act:

5 1. "Committee" means the Joint Committee on Accountability and
6 Efficiency created in Section 4 of this act;

7 2. "Financial-compliance audit" means an audit to provide the
8 determinations set forth in subsection B of Section 7 of this act,
9 which may include, but not be limited to, an examination of:

10 a. the financial affairs and transactions of a state
11 agency, or

12 b. the programs or operations of a state agency to
13 determine compliance with provisions of state
14 appropriations or other state law;

15 3. "Office" means the Office of Accountability and Efficiency
16 created in Section 6 of this act;

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

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

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

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

9 The purpose of the Accountability and Efficiency Act is to
10 require the conducting of financial-compliance audits and the review
11 of tax incentives to ensure that taxpayer funds are being used
12 efficiently and effectively and that state agencies are using the
13 best practices available.

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

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

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

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

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

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

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

20 The Joint Committee on Accountability and Efficiency shall have
21 the following powers and duties, in addition to other powers
22 provided by law to standing committees of the Legislature:

23 1. To appoint and fix the compensation of the Director of the
24 Office of Accountability and Efficiency;

1 2. Not later than January 1 of each year, to determine and
2 publish a list of state agencies or state programs for which a
3 financial-compliance audit will be conducted as soon as practicable
4 after the close of the fiscal year. Such list may include specific
5 divisions of state agencies if directed by the Committee. For the
6 fiscal year beginning July 1, 2008, financial-compliance audits
7 shall be conducted of the Department of Human Services, the
8 Department of Central Services and the State Department of Health.
9 The Legislature, by concurrent resolution or by statute, may add or
10 delete state agencies or divisions thereof, or state programs, to or
11 from the list. The Governor or any member of the Legislature may
12 request a financial-compliance audit to be conducted of any agency,
13 division or state program by making a written request to the
14 Committee detailing the reasons for requesting such audit, which
15 shall be granted upon a majority vote of a quorum of the Committee;

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

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

6 5. To propose legislation, conduct interim studies or make
7 other proposals for consideration by the Legislature, based upon its
8 findings; and

9 6. To collect any information from state agencies or other
10 persons or entities, which relates or may relate to a financial-
11 compliance audit or tax incentive review, or to delegate such
12 authority to the Director of the Office of Accountability and
13 Efficiency. Each state agency and other affected persons shall
14 cooperate with the Committee and the Director in the providing of
15 any information requested. The Committee shall have the power to
16 issue subpoenas and to compel the attendance of witnesses and the
17 production of information as provided in Section 773 of Title 74 of
18 the Oklahoma Statutes, upon a majority vote of a quorum of the
19 members of the Committee.

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

23 There is hereby created the Office of Accountability and
24 Efficiency as part of the Legislative Service Bureau. The Director

1 of the Office of Accountability and Efficiency shall be appointed by
2 and serve at the pleasure of the Joint Committee on Accountability
3 and Efficiency. The Director shall be a person of extensive
4 experience and recognized qualification in the field of governmental
5 fiscal procedures and auditing. The Director shall employ and fix
6 the compensation of employees of the Office of Accountability and
7 Efficiency. The Director and all such employees shall be in the
8 unclassified service.

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

12 A. A financial-compliance audit shall be conducted each year of
13 those state agencies specified by law or concurrent resolution of
14 the Legislature or designated by the Joint Committee on
15 Accountability and Efficiency. These audits shall be conducted in
16 accordance with generally accepted governmental auditing standards.
17 The resulting written audit reports shall be issued as soon after
18 the end of the fiscal year as is practicable.

19 B. A financial-compliance audit shall determine:

20 1. Whether the audited agency, division or program is
21 fulfilling its purpose, or is engaging in activities which go beyond
22 its purpose, as set forth in state law;

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1 2. Whether the agency, division or program is efficiently and
2 effectively administered, including whether it is operated under the
3 best practices of this state or other comparable entities;

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

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

9 C. Copies of the reports of audits conducted shall be furnished
10 to the Governor, each member and the staff of the Joint Committee on
11 Accountability and Efficiency, the audited state agency and each
12 member of the governing board of the state agency, if applicable,
13 and other interested persons or agencies as may be specified by the
14 Committee or required by law or by the specifications of the audit.
15 The copies may be furnished electronically.

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

19 A. A tax incentive review shall be conducted each year of those
20 tax preferences or other provisions of tax law designated by the
21 Joint Committee on Accountability and Efficiency. The Oklahoma Tax
22 Commission shall provide such assistance to the Committee in the
23 conduct of such reviews as may be necessary.

24 B. A tax incentive review shall include:

- 1 1. A determination of the impact on state revenues due to the
2 granting of the tax preference or provision;
- 3 2. A determination of the economic benefit to the state due to
4 the granting of the tax preference or provision, whether measured in
5 increased state revenues, job creation, wage or personal income
6 growth, investment in this state, or other economic criteria;
- 7 3. An estimate of the effect on the distribution of the tax
8 burden upon citizens or legal entities of this state;
- 9 4. An analysis of the competitive position of this state
10 relative to other states with similar tax preferences or provisions;
11 and
- 12 5. An overall determination of the effectiveness of the tax
13 preference or provision in achieving the desired objective as set
14 forth in state law.
- 15 B. Copies of the reports of tax incentive reviews conducted
16 shall be furnished to the Governor, each member and the staff of the
17 Joint Committee on Accountability and Efficiency, the Tax
18 Commission, and other interested persons or agencies as may be
19 specified by the Committee or required by law or by the
20 specifications of the review. The copies may be furnished
21 electronically.
- 22 C. Notwithstanding the provisions of Section 205 of Title 68 of
23 the Oklahoma Statutes, any person receiving tax information under
24 the provisions of this section shall be subject to the same duty of

1 confidentiality imposed by law upon the Tax Commission and shall be
2 subject to any civil or criminal penalties imposed by law for
3 violations of such duty of confidentiality.

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

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

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

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

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

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

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

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

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

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