

**COMMITTEE AMENDMENT**  
HOUSE OF REPRESENTATIVES  
State of Oklahoma

SPEAKER:

CHAIR:

I move to amend SB646  
Page \_\_\_\_\_ Section \_\_\_\_\_ Lines \_\_\_\_\_  
Of the printed Bill  
Of the Engrossed Bill

By striking the Title, the Enacting Clause, the entire bill, and by inserting in lieu thereof the following language:

**AMEND TITLE TO CONFORM TO AMENDMENTS**

Adopted: \_\_\_\_\_

Amendment submitted by: Joe Dorman

\_\_\_\_\_

\_\_\_\_\_  
Reading Clerk

1 STATE OF OKLAHOMA

2 1st Session of the 52nd Legislature (2009)

3 PROPOSED COMMITTEE  
4 SUBSTITUTE  
5 FOR ENGROSSED  
6 SENATE BILL NO. 646

By: Coffee, Mazzei, Brogdon,  
Jolley and Marlatt of the  
Senate

7 and

8 Bengé of the House

9  
10 PROPOSED COMMITTEE SUBSTITUTE

11 ( state government - Accountability, Innovation and  
12 Privatization Act - codification - noncodification  
13 - effective date

14 emergency )

15  
16  
17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

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

20 It is the finding of the Legislature that the Legislative  
21 Service Bureau is able to implement the provisions of the  
22 Accountability, Innovation and Privatization Act using existing  
23 resources through savings derived in other agency program areas.

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

4 This act shall be known and may be cited as the "Accountability,  
5 Innovation and Privatization Act".

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

9 As used in the Accountability, Innovation and Privatization Act:

10 1. "Committee" means the Joint Committee on Accountability,  
11 Innovation and Privatization created in Section 41.47 of Title 62 of  
12 the Oklahoma Statutes;

13 2. "Office" means the Office of Accountability, Innovation and  
14 Privatization created in Section 6 of this act;

15 3. "Performance audit" means an audit to provide the  
16 determinations set forth in subsection B of Section 8 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 4.       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, Innovation and Privatization  
10 Act is to require the conducting of performance audits, the review  
11 of tax incentives, the feasibility of privatizing governmental  
12 assets and services and the investigation and eradication of waste,  
13 fraud, abuse and corruption in state government, to ensure that  
14 taxpayer funds are being used efficiently and effectively and that  
15 state agencies are using the best practices available.

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

19       A. The Joint Committee on Accountability, Innovation and  
20 Privatization shall have the following powers and duties, in  
21 addition to other powers conferred upon it by law and 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, Innovation and Privatization;

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

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

23           4. As often as it deems necessary, to identify assets owned or  
24 services provided by the State of Oklahoma or its political

1 subdivisions which could be converted to private ownership and to  
2 evaluate the advisability and feasibility of such conversion. The  
3 Legislature, by concurrent resolution or by statute, may identify  
4 specific assets to be evaluated pursuant to the provisions of this  
5 paragraph;

6 5. To enter into contracts with independent auditors as may be  
7 necessary to accomplish the intent of the Accountability, Innovation  
8 and Privatization Act;

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

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

16 8. To collect any information from state agencies or other  
17 persons or entities, which relates or may relate to a performance  
18 audit or tax incentive review, or to delegate such authority to the  
19 Director of the Office of Accountability, Innovation and  
20 Privatization; and

21 9. To investigate allegations of waste, fraud, abuse and  
22 corruption in state government and, upon a majority vote of the  
23 Joint Committee, to refer such allegations to the appropriate  
24 authorities for prosecution or other action.

1 B. 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 450.7 of Title 74, unless there  
10 is created a duplication in numbering, reads as follows:

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

1 Joint Committee and shall provide staff services to the Joint  
2 Committee to enable it to conduct its responsibilities as set forth  
3 in the Accountability, Innovation and Privatization Act.

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

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

21 B. A performance audit shall determine:

22 1. Whether the audited agency, division or program is carrying  
23 out only those activities or programs authorized by state law, or is  
24

1 engaging in activities, or programs which go beyond its  
2 authorization, as set forth in state law;

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

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

7 b. whether its functions are duplicative of, or could be  
8 better provided by, other agencies of state government  
9 or the private sector, and

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

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

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

18 C. Copies of the reports of audits conducted shall be furnished  
19 to the Governor, the President Pro Tempore of the Senate, the  
20 Speaker of the House of Representatives, each member and the staff  
21 of the Joint Committee on Accountability, Innovation and  
22 Privatization, the audited state agency and each member of the  
23 governing board of the state agency, if applicable, and other  
24 interested persons or agencies as may be specified by the Committee

1 or required by law or by the specifications of the audit. The  
2 copies may be furnished electronically.

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

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

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

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

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

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

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

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

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

1 SECTION 9. 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 An investigation may be ordered and conducted by the Joint  
5 Committee on Accountability, Innovation and Privatization, upon a  
6 majority vote of a quorum of the members thereof, into any  
7 information received by the Joint Committee, or the Office of  
8 Accountability, Innovation and Privatization, alleging waste, fraud,  
9 abuse or corruption in state government. The Joint Committee may  
10 request the assistance of the Office of the Attorney General, the  
11 Office of the State Auditor and Inspector, the Office of State  
12 Finance, or any other state agency. If the Committee determines  
13 that waste, fraud, abuse or corruption has or may have occurred, the  
14 Joint Committee shall forward the results of its investigation and  
15 any other relevant information that it has received to the  
16 appropriate authority for prosecution or other action.

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

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

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

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

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

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

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

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

19 SECTION 11. AMENDATORY 62 O.S. 2001, Section 41.47, as  
20 amended by Section 3, Chapter 301, O.S.L. 2003 (62 O.S. Supp. 2008,  
21 Section 41.47), is amended to read as follows:

22 Section 41.47 A. There is hereby established the ~~Legislative~~  
23 ~~Oversight Committee on State Budget Performance~~ Joint Committee on  
24 Accountability, Innovation and Privatization. The purposes of this

1 committee shall include oversight of the implementation of a system  
2 of program performance-based budgeting for implementation by state  
3 agencies and implementation and administration of the  
4 Accountability, Innovation and Privatization Act.

5 B. The In addition to its duties specified in Section 6 of this  
6 act, the Joint Committee's duties shall also include:

7 1. Development of agency budget request forms and instructions  
8 in conjunction with the Office of State Finance;

9 2. Directing studies to aid in the development of legislative  
10 and procedural changes to further improve the budgetary, financial,  
11 accounting, reporting, personnel, and purchasing processes and  
12 systems of the state;

13 3. Direction of program evaluation and management studies;

14 4. Oversight and reporting on executive branch compliance with  
15 the legislative intent of appropriation measures. Such oversight  
16 and reporting duties may include:

17 a. agency reorganization actions,

18 b. executive orders calling for reduction of full-time-  
19 equivalents or hiring freezes, and

20 c. transfer of funds by the executive branch;

21 5. The development of revenue and expenditure estimates and  
22 analyses;

23 6. Study of the management, operations, programs and fiscal  
24 needs of the agencies and institutions of Oklahoma state government

1 pursuant to the Oklahoma Program Performance Budgeting and  
2 Accountability Act;

3 7. Review of the executive budget, agency strategic plans and  
4 the estimate of needs of each state agency and institution. Reports  
5 may be issued by the Joint Committee as it deems appropriate; and

6 8. Implementation of an ongoing evaluation review procedure of  
7 existing programs based on zero-base budgeting techniques pursuant  
8 to the Oklahoma Program Performance Budgeting and Accountability  
9 Act. The committee in cooperation with the Office of State Finance  
10 shall establish a schedule to review strategic plans and existing  
11 programs for each agency a minimum of once every four (4) years.  
12 The committee shall issue an evaluation report for each agency once  
13 every four (4) years which will include but not be limited to the  
14 following information:

15 a. a review of the agency's programs, performance and  
16 management,

17 b. whether the agency has demonstrated that there is a  
18 need for the services and programs which justifies the  
19 agency's continued existence,

20 c. whether the agency is the most appropriate provider of  
21 the programs and services furnished by the agency.

22 C. Any reference in the Oklahoma Statutes to the Joint  
23 Legislative Committee on Budget and Program Oversight or the  
24 Legislative Oversight Committee on State Budget Performance shall be

1 a reference to the ~~Legislative Oversight Committee on State Budget~~  
2 ~~Performance~~ Joint Committee on Accountability, Innovation and  
3 Privatization.

4 D. The Joint Committee shall be composed of three members  
5 appointed by the President Pro Tempore of the Senate, three members  
6 appointed by the Speaker of the House of Representatives, two  
7 members by the minority leader of the Senate and two members  
8 appointed by the minority leader of the House of Representatives;  
9 provided, of the members appointed by each appointing authority, not  
10 more than two shall be members of the same political party, and not  
11 more than two shall represent legislative districts which are part  
12 of the same county. The Chair and ~~Vice-Chair~~ Vice-chair of the  
13 Committee shall rotate every two (2) years between the Senate and  
14 the House of Representatives beginning with a Senate member serving  
15 as Chair in 2003. The Committee shall meet at least four ~~(4)~~ times  
16 per year and at other times as called by the Chair. The ~~Legislative~~  
17 ~~Oversight~~ Joint ~~Committee on State Budget Performance~~ shall function  
18 as a committee of the Legislature when the Legislature is in session  
19 and is not in session. Each member of the Joint Committee shall  
20 serve until a successor is appointed.

21 E. The Joint Committee shall be staffed jointly by the staff of  
22 the fiscal divisions of the Senate and the House of Representatives  
23 and the Office of Accountability, Innovation and Privatization.

1 F. The Joint Committee may make use of all available  
2 teleconferencing technology to facilitate meetings of the Joint  
3 Committee when the Legislature is not in session. The Joint  
4 Committee shall take any appropriate action to make such  
5 teleconferenced meetings comply with the provisions of the Oklahoma  
6 Open Meeting Act, Section 301 et seq. of Title 25 of the Oklahoma  
7 Statutes.

8 G. The Joint Committee shall periodically meet in different  
9 geographical regions of the state to enhance the Committee's  
10 understanding of local conditions and to help educate the public as  
11 to the fiscal condition of the state.

12 SECTION 12. This act shall become effective July 1, 2009.

13 SECTION 13. 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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18 52-1-7679 MAH 04/06/09

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