

1 ENGROSSED SENATE  
2 BILL NO. 154

By: Dugger of the Senate

3 and

4 Babinec of the House

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6 An Act relating to the Incentive Evaluation Act;  
7 amending Section 5, Chapter 184, O.S.L. 2015 (62 O.S.  
8 Supp. 2016, Section 7005), which relates to  
9 evaluation procedures; expanding actions which may be  
10 taken by Incentive Evaluation Commission; and  
11 requiring certain information be included in report.

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

13 SECTION 1. AMENDATORY Section 5, Chapter 184, O.S.L.  
14 2015 (62 O.S. Supp. 2016, Section 7005), is amended to read as  
15 follows:

16 Section 7005. A. The Commission may contract with a private  
17 company, nonprofit, or academic institution to assist with  
18 evaluation of each incentive. The Commission shall develop a scope  
19 of services for a request for proposals issued pursuant to The  
20 Oklahoma Central Purchasing Act, Section 85.1 et seq. of Title 74 of  
21 the Oklahoma Statutes, for professional services necessary to  
22 complete incentive evaluations pursuant to the Incentive Evaluation  
23 Act. The cost of such contract shall be paid by the Office of  
24 Management and Enterprise Services. No recipient or potential  
recipient of an incentive or representative of a recipient or

1 potential recipient shall contact the entity or individual with whom  
2 the Commission contracts pursuant to this subsection unless the  
3 entity or individual specifically requests information or  
4 documentation for purposes of the incentive evaluation process;  
5 provided, this shall not be construed to prevent participation in a  
6 public hearing conducted pursuant to subsection B of this section.

7 B. By November 1 of each year beginning in 2016, the Commission  
8 or the Commission's chosen contractor shall evaluate each incentive  
9 scheduled for review that year. The Commission or the Commission's  
10 chosen contractor shall conduct each incentive evaluation in  
11 consultation with the Oklahoma Department of Commerce division of  
12 Research and Economic Analysis Services using criteria developed  
13 pursuant to subsection D of this section. Between ~~November~~ October  
14 1 and November 30 of each year beginning in ~~2016~~ 2017, the  
15 Commission shall hold at least one public meeting to review, allow  
16 for public comment, and vote to approve ~~or~~, disapprove or modify  
17 each incentive evaluation conducted that year. By December 15 of  
18 each year beginning in 2016, the Commission shall provide the  
19 results of each incentive evaluation in a written report to the  
20 Governor, President Pro Tempore of the Senate and Speaker of the  
21 House of Representatives. If the Commission votes to modify an  
22 incentive evaluation as provided in this subsection, such  
23 modification and the original evaluation shall be documented in the  
24 annual written report. The report shall be made publicly available

1 on the Oklahoma Department of Commerce website, the Commission  
2 website and documents.ok.gov.

3 C. Each evaluation shall include the following:

4 1. An estimate of the economic and fiscal impact of the  
5 incentive. This estimate shall take into account the following  
6 considerations in addition to other relevant factors:

7 a. the extent to which the incentive changes business  
8 behavior,

9 b. the results of the incentive for the economy of  
10 Oklahoma as a whole. This consideration includes both  
11 positive direct and indirect impacts and any negative  
12 effects on other Oklahoma businesses, and

13 c. a comparison to the results of other incentives or  
14 other economic development strategies with similar  
15 goals;

16 2. An assessment of whether adequate protections are in place  
17 to ensure the fiscal impact of the incentive does not increase  
18 substantially beyond the state's expectations in future years;

19 3. An assessment of whether the incentive is being administered  
20 effectively;

21 4. An assessment of whether the incentive is achieving its  
22 goals;

1        5. Recommendations for how Oklahoma can most effectively  
2 achieve the incentive's goals, including recommendations on whether  
3 the incentive should be retained, reconfigured or repealed; and

4        6. Recommendations for any changes to state policy, rules, or  
5 statutes that would allow the incentive to be more easily or  
6 conclusively evaluated in the future. These recommendations may  
7 include changes to collection, reporting and sharing of data, and  
8 revisions or clarifications to the goal of the incentive.

9        D. Evaluation criteria shall be developed for each incentive  
10 evaluated by the Commission. Each incentive shall be evaluated  
11 using criteria specific to the individual incentive. The criteria  
12 shall be developed by the Commission through the administrative  
13 rulemaking process pursuant to the Administrative Procedures Act,  
14 Section 250 et seq. of Title 75 of the Oklahoma Statutes, and  
15 codified in the administrative code of the Oklahoma Department of  
16 Commerce.

17        E. At the request of the Incentive Evaluation Commission, state  
18 agencies shall provide any records, information, data, or data  
19 analysis necessary for the Commission or contractors to effectively  
20 evaluate incentives. The Commission and contractors shall not  
21 disclose or release any data received from other state agencies,  
22 except as permitted under law.

1 Passed the Senate the 7th day of March, 2017.

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3 \_\_\_\_\_  
4 Presiding Officer of the Senate

5 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
6 2017.

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9 Presiding Officer of the House  
10 of Representatives