

An Act

ENROLLED SENATE
BILL NO. 154

By: Dugger of the Senate

and

Babinec of the House

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

SUBJECT: Incentive Evaluation Act

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

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

Section 7005. A. The Commission may contract with a private company, nonprofit, or academic institution to assist with evaluation of each incentive. The Commission shall develop a scope of services for a request for proposals issued pursuant to The Oklahoma Central Purchasing Act, Section 85.1 et seq. of Title 74 of the Oklahoma Statutes, for professional services necessary to complete incentive evaluations pursuant to the Incentive Evaluation Act. The cost of such contract shall be paid by the Office of Management and Enterprise Services. No recipient or potential recipient of an incentive or representative of a recipient or potential recipient shall contact the entity or individual with whom the Commission contracts pursuant to this subsection unless the entity or individual specifically requests information or documentation for purposes of the incentive evaluation process;

provided, this shall not be construed to prevent participation in a public hearing conducted pursuant to subsection B of this section.

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

C. Each evaluation shall include the following:

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

- a. the extent to which the incentive changes business behavior,
- b. the results of the incentive for the economy of Oklahoma as a whole. This consideration includes both positive direct and indirect impacts and any negative effects on other Oklahoma businesses, and
- c. a comparison to the results of other incentives or other economic development strategies with similar goals;

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

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

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

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

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

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

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

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

Presiding Officer of the Senate

Passed the House of Representatives the 24th day of April, 2017.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____