

House Bill 3415

Sponsored by COMMITTEE ON GENERAL GOVERNMENT AND CONSUMER PROTECTION

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires contracting agency to pay fee to Secretary of State in amount of one-tenth of one percent of contract price for public improvement contract. Requires Secretary of State to use proceeds of fee to conduct random financial, performance and compliance audits of public contracts in accordance with certain standards.

Establishes Public Contracting Audit Account in General Fund of State Treasury. Continuously appropriates moneys in account to Secretary of State for purpose of conducting audits of public contracts.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to audits of public contracts; appropriating money; and declaring an emergency.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS chapter 279C.**

5 **SECTION 2. (1) A contracting agency that conducts a procurement subject to this chap-**
6 **ter, in addition to and not in lieu of the charges specified in ORS 297.230, shall pay a fee**
7 **equivalent to one-tenth of one percent of the contract price for the procurement to the office**
8 **of the Secretary of State at the time the contracting agency executes the contract. The**
9 **Secretary of State shall pay the moneys received under this subsection to the State Treas-**
10 **urer for deposit in the Public Contracting Audit Account created under section 4 of this 2011**
11 **Act.**

12 **(2)(a) The secretary shall use the moneys available in the account to conduct financial,**
13 **compliance and performance audits of public contracts that contracting agencies award un-**
14 **der the provisions of this chapter. The secretary shall conduct each audit according to**
15 **standards adopted under ORS 297.070 and, except as provided in paragraph (b) of this sub-**
16 **section, shall choose the subject of each audit randomly and without advance notice to the**
17 **contracting agency or other parties to the public contract.**

18 **(b) If the secretary finds during an audit or receives reliable information at any time**
19 **concerning fraud, waste, misconduct or abuse for a particular public contract, the secretary**
20 **may conduct a special investigation of the contracting agency or other parties to the public**
21 **contract and may use moneys from the account to conduct the special investigation.**

22 **(c) The secretary, in accordance with policies and priorities that the secretary estab-**
23 **lishes, each year shall allocate the amount of moneys available or projected to be available**
24 **in the account during the year toward conducting a regular course of audits under this sec-**
25 **tion.**

26 **(3) In addition to complying with the requirements of ORS 297.050, the secretary shall**
27 **publish the report for every audit conducted under this section on the secretary's website**
28 **and on the Oregon transparency website described in ORS 184.483.**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 **SECTION 3.** Section 4 of this 2011 Act is added to and made a part of ORS chapter 297.

2 **SECTION 4.** The Public Contracting Audit Account is established in the General Fund
3 of the State Treasury. All moneys in the account are continuously appropriated to the Sec-
4 retary of State for the purposes set forth in section 2 of this 2011 Act.

5 **SECTION 5.** This 2011 Act being necessary for the immediate preservation of the public
6 peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect
7 on its passage.

8
